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# Dun & Bradstreet

Monthly

## Weekly Review

MARCH 4, 1933

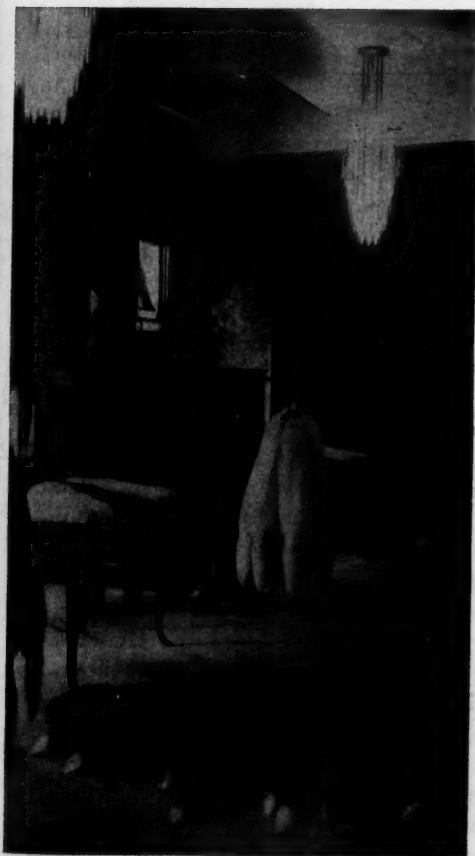
### SPECIAL FEATURES

THE FORMATION OF  
DUN & BRADSTREET, Inc.

TRIMMINGS CHIEF SUPPORT  
OF FUR INDUSTRY

THE THEORY OF IN-  
FLATION

DUN'S INDEX NUMBER  
NEARLY AT FORMER LEVEL



Courtesy "Fur Age Weekly"

*Published by*

**DUN & BRADSTREET, INC.**

ESTABLISHED 1841

# DUN & BRADSTREET WEEKLY REVIEW

PUBLISHED WEEKLY BY

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## THE FORMATION OF DUN & BRADSTREET, Inc.

**A**N agreement has been made for the consolidation of the business of R. G. Dun & Company and The Bradstreet Company by the acquisition by R. G. Dun & Company of all the assets and business of The Bradstreet Company and subsidiaries, which will become effective as soon after March 1, 1933, as legal proceedings have been concluded.

Since the 1840s both organizations have performed substantially identical functions, which has caused a duplication of expense of millions of dollars annually to thousands of subscribers using both services, and to over two millions of commercial concerns which have in the past furnished pertinent credit data to both Agencies.

The value of the reports and the efficiency of a general mercantile agency is in direct ratio to the number of concerns furnishing

data and the number of subscribers to its service, and for this reason thousands of subscribers of both organizations have in past years repeatedly urged this consolidation.

The name of R. G. Dun & Company will, at the conclusion of the requisite legal steps, be changed to Dun & Bradstreet, Inc.

The present officers of The R. G. Dun Corporation will continue in charge of the administration of the affairs of the Company under its new name. The officers are: Mr. A. D. Whiteside, President, Mr. C. E. Terrell, Vice President, Mr. A. W. Ferguson, Vice President and Treasurer, and Mr. T. W. Cunliffe, Secretary. The Board of Directors will be increased from twelve to fifteen members, and three directors will be elected to represent the Bradstreet interests.

The addition of the many thou-

sands of subscribers to the Bradstreet service will unquestionably strengthen the service facilities of the Company, and should materially add to the value of the credit information furnished.

R. G. Dun & Co., founded in 1841, is the oldest and largest mercantile agency in the world. The Bradstreet Co. began business in 1848. The two organizations are international in scope. Each has many thousands of correspondents located all over the civilized world. Both also maintain extensive domestic branch office systems, the individual units of which are central clearing points for the collection and distribution of credit information originating in the immediate areas in which they are located.

In the United States, R. G. Dun & Co. has 172 offices, while The Bradstreet Co. has 166. Both companies have 17 Canadian offices.

In addition, R. G. Dun & Co. has 54 offices in other parts of the world and The Bradstreet Co. has 17. The combined correspondent staffs and branch office systems of the two concerns enable them to write accurate, up-to-date credit reports on active business concerns in any part of the globe.

#### AGENCY FOUNDED IN 1841

R. G. Dun & Co. owes its origin to the panic of 1837. As a result of this depression the old New York silk house of Tappan & Co. went into bankruptcy with liabilities of slightly over \$1,000,000. Every dollar of these liabilities was repaid within 18 months of the bankruptcy. Lewis Tappan, who had been the credit man, decided to use his credit experience as the basis of a business of his own. Accordingly, in 1841, he founded The Mercantile Agency to distribute credit information to New York merchants. He retired from the successful enterprise a few years later in favor of Benjamin Douglass who continued as senior partner until 1859 when he sold the business to his brother-in-law, R. G. Dun.

The concern then became R. G. Dun & Co., The Mercantile Agency which has been the title ever since. From 1859 to his death in 1900—a period of more than 40 years—Mr. Dun was the active, directing head of the business and the sole proprietor. The growth of the Mercantile Agency in that period from a small concern with a few branches along the Eastern seaboard to the largest of its kind in the world with branches all over the United States and in 21 foreign countries is a tribute to Mr. Dun's executive ability and to his untiring devotion to the interests of the business.

After the death of R. G. Dun in 1900 a Board of Trustees was formed by his heirs to administer The Mercantile Agency. This board, under the chairmanship of Mr. Robert Dun Douglass, continued as the governing body of R. G. Dun & Co. for the next 30 years. Mr. R. D. Douglass, a

nephew of Mr. R. G. Dun, first entered the service of The Mercantile Agency in 1872. At the time of Mr. Dun's death, Mr. Douglass had had 28 years of diversified Agency experience under the supervision of his uncle. The training equipped him well for his work as Chairman of the Board of Trustees and as the senior executive of The Mercantile Agency.

In 1910 Mr. A. W. Ferguson was appointed General Manager of R. G. Dun & Co. Mr. Ferguson had been in charge of the Detroit district, where, for a number of years, he had been a conspicuously successful manager.

#### MR. ROBERT DUN DOUGLASS WITH AGENCY SINCE 1872

The present members of the Board of Trustees of R. G. Dun & Co. are: Mr. T. W. Cunliffe, Mr. A. W. Ferguson and Mr. A. D. Whiteside.

In 1930 the R. G. Dun Corporation was formed and Mr. A. D. Whiteside became president of the new corporation. Mr. Whiteside had been president of the National Credit Office, a mercantile agency specializing in the textile field.

In 1848, John M. Bradstreet, a Cincinnati attorney, was made assignee of a large insolvent estate. During his administration he acquired a broad knowledge of the credit standing of the creditors and debtors who had dealings with the estate. For this information he found an active demand on the part of New York concerns. In the following year he decided to specialize on this work and accordingly he founded Bradstreet's Commercial Agency. In 1876 the organization was incorporated under the name it has borne since that time, "The Bradstreet Company."

In the early days of R. G. Dun & Co. there were no typewriters, no telephones, nor any satisfactory reproduction processes. Reports were written in ledgers by skilled penmen. Subscribers could not send for reports as they do now. If they wanted to see

one they had to visit the office of The Mercantile Agency in person, call for the ledger and inspect the report written there.

Many of these old report books have been preserved. They contain page after page of Spencerian handwriting of which any engraver would be proud. There are on record reports on such concerns as harness makers, brewers and ship chandlers of the days before the Civil War as well as many old, uniquely worded, reports on types of concerns which have survived the economic changes of the past century.

It was naturally impossible for The Mercantile Agency to maintain offices in sparsely populated areas. Reports from such territories were written by local correspondents and incorporated into the Agency records. These correspondents were chosen on the basis of character, intelligence and knowledge of local business. Many of them were young lawyers, merchants and bankers who in later life achieved nationwide fame in trade or politics.

#### LINCOLN A CORRESPONDENT

At one time Abraham Lincoln was a correspondent of R. G. Dun & Co. His reports were often late because of his active legal and political life, but they always covered the essential facts. In a few shrewdly worded observations on the business record and habits of a concern Lincoln gave clear, definite pictures that were invaluable to the Agency.

The Lincoln reports often had in them a little of the dry humor for which he was so well known. One can picture him writing these reports, his face tired, solemn. Suddenly, as an odd angle of a situation strikes him, he smiles, chuckles and writes it down. One of the best known of the Lincoln reports in the files of The Mercantile Agency is the one in which he mentions a rat hole in the office of the concern reported on and which he suggests, "should be looked into."



# TRIMMINGS CHIEF SUPPORT OF INDUSTRY

by RAYMOND BRENNAN

Production in nearly all branches of the fur trade the past season fell below the record of the year preceding, progress having been hampered by unseasonable weather, in addition to the restricted purchasing power of the average consumer. The strong upturn in general retail trade during the late Fall added a good volume to early business, but the demand was not sustained during the months that followed, and sales declined steadily, except for a brief period during the holiday season. The cold wave in the latter part of January and the opening weeks of February stimulated movement of moderately-priced coats, but this demand came too late in the season and was too short in its duration to enable the mid-season losses to be recovered.

The Spring season is being entered with a moderate degree of confidence, even though the mannish styles of the coats and suits do not favor such a lavish use of furs as the Fall styles required. Preparations are being made, however, for a good demand for jackets, and scarfs of fox, mink, and marten seem destined to a wide popularity as a needed complement to soften the severity of the lines of tailored suits. The chief activity at the present time centers on trimmings, as early tests of consumer preference show that untrimmed garments receive the fewest calls.

## TRIMMING VOGUE WIDENS

In fact, the vogue for detachable fur trimmings, which met with such hearty approval last Winter, has developed to a point

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*General activity failed to hold the gains recorded during the early part of the season, and the year closed with lower totals for both production and distribution. Price situation has become more aggravated, with lack of stability reflected in the collection status and the resumption of the insolvency uptrend.*

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where these fur gadgets may be bought without the coat, to be ensemble as fancy dictates. Sleeves are tremendously important in the Spring cloth coats, particularly to the far trade, as their correct development requires a generous use of fur in order to achieve the correct line.

The fur trimmings on the sleeve take the form of epaulets, fins, bracelets, and half-bracelet bands placed horizontally and vertically. The flat furs appear to be taking the lead for trimming, with the second choice accorded fox—silver, black, red, blue, cross, and pointed. Mink, of course, is a perennial favorite for the luxury coats, while the short-haired furs, such as caracul, astrakhan, Persian lamb, broadtail, Alaskan seal, nutria, and squirrel appear in striking arrangement, particularly on the more tailored types.

The price situation has become more aggravated, but it cannot be said truthfully that the retailers have been responsible for all the attacks upon price stability. Much of this injurious influence has originated right in the market itself. Retailers who otherwise would be willing to pay a fair price for merchandise are induced to go bargain-hunting because of the displayed announcements of certain competitors of fur garments at low prices.

This has led to the establishment of artificially low price standards for all merchandise that falls within any general classification. Unfortunately, there are many buyers who do not accord sufficient attention to the vast difference in the real merit between types of furs

known by the same name. There appears to be a definite need in the industry for formulating some system through which the grades of similarly-named merchandise could be identified more readily.

The lack of price stability has been reflected in the unfavorable collection status, and in the mounting loss through insolvencies, which in 1932 was even in excess of the peak level of 1930. The fur business always has been dependent, to a great extent, upon credit. The manufacturer, in most cases, must extend credit to the coat and suit manufacturer and to the retailer. He, in turn, depends upon the fur merchants and his banks for credit. The fur merchant has only the banks to which he can look for credit. Only a limited few in the business are capitalized to such an extent that they are self-supporting.

## CREDITS CHECK PROGRESS

It has become apparent of late that the banks which work with the fur trade are inclined to lessen the degree of liberality which they have been extending. As a result, leaders in the industry are of the opinion that the most advisable procedure is to eradicate as many of the pitfalls as is possible and to place the business on so sound a footing that the banks will welcome their patronage.



For, there are means of determining the amount of credit which may be extended to a customer safely. Judgment may be based on the same principles as other credit-giving industries. That is, on financial statement, past record, ability, and so on. It is not considered an unfavorable business practice to extend credit, the unfavorable part coming from the fact that credit is extended without sufficient information about the applicant, and that it is given over so many months.

The fur trade always has been a long-term trade, and at one time nine months or one year were customary. While the time limit now has been cut down to four, five, and six months, it is felt that this practice has encouraged undue speculation and overbuying, resulting in false demands for merchandise, which by the time-old law of supply and demand automatically create a false price level. It has caused dealers to become overextended, inasmuch as their receivables do not liquidate quickly enough and they must continue doing business and pyramiding credits.

While manufacturers are perfectly cognizant of the disadvantages of the season dating which they extend to retailers, they have, as yet, found no way of avoiding it entirely. For, the retailer buys with the thought in mind, in many cases, that he has a long time to pay for his purchases and if he is unsuccessful in his selling he always will have recourse to returning the merchandise under some flimsy excuse.

Apparently, by giving shorter terms, the manufacturers could turn their capital oftener and with greater safety. Discounted notes receivable would mature more quickly at the banks, and thus permit further discounts at the same banks. Merchandise prices would not rise and fall on false provocations, and neither merchants, manufacturers, retailers nor banks would become overextended.

## BALTIMORE

Although there are several raw fur dealers here, Baltimore is not considered an important center in this industry and the annual output of furs in this city is said to have a value of approximately \$600,000. The following are the chief undressed furs handled here: Raccoon, skunk, mink, fox, squirrel, opossum, muskrat, marten and mole. There are no wholesalers of dressed furs here, but a limited number of houses transact a retail fur trade of moderate proportions.

Baltimore is an important clothing manufacturing center and its annual output of men's and women's wear is large. The yearly production of garments here has a value of about \$13,000,000. It is learned that local manufacturers of women's coats and suits make their fur purchases for trimmings in the New York market.

The unit turnover of raw furs in 1932 was 25 per cent less than the volume for the preceding year. The current mild and open Winter has been affecting adversely the subject industry. Recent distress sales of dressed furs at so-called sacrifice prices did not seem to

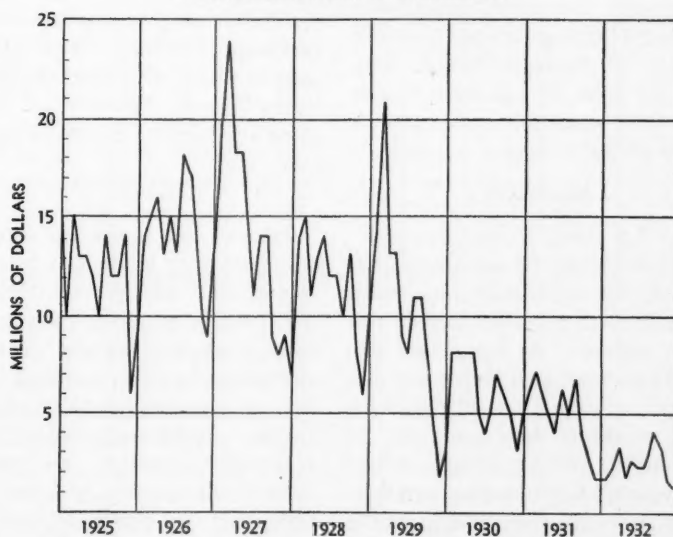
appeal very potently to the feminine sex. Raw fur dealers now are carrying comparatively light stocks, because of unsettled market conditions, and it is said that retailers of dressed furs also are carrying small inventories. The general price trend has been more stabilized since the first of the year.

## BOSTON

Not only has the fur trade been affected by general conditions, but the mild Winter has still further restricted business, and sales are off from 25 to 40 per cent since last year. All lines have been hard hit from the lowest priced garments to the expensive custom furs. Prices on regular lines have been off from 25 to 33½ per cent and at present manufacturers are clearing out their surplus stocks at any price necessary to move the goods. Stocks in the hands of the manufacturers, however, are light, and retailers, as a rule, are not carrying very much merchandise on hand.

A little increase is expected from the vogue of fur jackets for Spring, and a slight improvement in the demand for fur neckpieces; but, until conditions will have im-

**TOTAL SALES OF FUR MERCHANTS\***  
(To Manufacturers and Retailers)



\* Based on statistics compiled by the American Fur Merchants' Association

After reaching a total of \$4,016,000 in September, which marked the high point of the year, sales declined steadily during the final quarter. Aggregate sales for 1932 were only \$29,047,000, slightly less than half the total of \$58,813,000 recorded in 1931

proved materially, there is little likelihood of a general improvement in the fur trade. Collections are slow, and are somewhat behind last year's record, except in the installment lines where there has been a slight improvement.

#### DENVER

The value of furs manufactured in this district during 1932 was from 25 to 50 per cent below the total of 1931, while volume was reduced nearly one-half. Silver fox lead the demand by a good margin. Prices generally showed a decline of 5 to 14 per cent. Collections in both the retail and wholesale trades were off fully 10 per cent. The outlook depends almost entirely on price, for if quotations should continue to increase, production will be boosted almost immediately.

#### KANSAS CITY

Receipts of raw furs for the season just ended showed a marked decline over those of the previous season, and the prices were at lowest level for some time. The demand from manufacturers has been slow. In the manufacturing and retail lines here, it was reported that the past season was not very satisfactory. While there was a fair activity in some of the cheaper garments, the general run of business was slow, due to the restricted buying power. It is the opinion of leading dealers here that the start of the Fall season will find some carryover, with prices probably weak.

#### MEMPHIS

The fur trade still is being affected adversely by economic conditions, although sales have been stimulated in certain lines by unusual values. Activity has run chiefly to coats and jackets, which ranged between \$50 and \$125, with dyed muskrats very popular. In the higher-priced range, values likewise are very unusual, but buying power has made it impossible to move these, since those able to pay such prices have been slowest to take hold.

#### MONTREAL

Methods of manufacturing and merchandising furs in this section have been revolutionized within recent years. In addition to the introduction of direct retail distribution by the manufacturer, there has, of late, been a decided increase in the number of individuals making up garments at home and selling on orders from customers or in very limited quantities to dealers. Definite data is, under the circumstances, difficult to secure in regard to volume of production and sales, though it is admitted that the sales for the current year to date do not bear favorable comparison with those of the same period of 1932, and the immediate future holds out little prospect of improvement.

The initial sale of the local fur auction company for 1933 was held recently. Merchandise to the value of \$700,000, was offered, and some 85 per cent sold, with little price variations. Silver fox and mink were most in demand, the former being favored by European buyers, while the bulk of mink skins were shipped to the New York market. Sales to local interests were comparatively light.

No reserve stocks of raw furs are in the hands of country dealers or collectors, and there doubtless would follow a sharp rise in prices generally, with any indications of increasing demand. Fur auction sales are held to a "cash before delivery" basis, balance of credit sales are largely on the deferred plan.

#### TORONTO

Sales of furs in the Toronto district last year could not be maintained on a parity with those of the year preceding. Unemployment curtailed income from investments, and this combined with the nervousness regarding the future contributed more than a reasonable share to the contraction of the furriers' volume. The reduction, as compared with the figures of the peak year of 1929, was close to 60 per cent.

An approximation of the total

output of manufactured fur coats and scarfs last year would be \$2,000,000. To this should be added \$1,000,000 for the production of collars and trimmings for the cloak trade. The output value for units in the fur garment trade has been estimated at \$65 each, and in the neighborhood of \$25 each for fur scarfs.

The majority of sales were made directly to the retailer from the warehouses of the manufacturers. Sales made by travelling salesmen through samples were estimated at about 25 per cent of the total. A feature of the modern tendency is the gradual elimination of the salesmen, and an establishment of centralized agencies, which are handled by a resident salesman.

In the raw skin market, the general impression is that prices last year ruled about 10 per cent under the quotations of 1931. An exception to the low price commentary was silver fox, which brought from 20 to 35 per cent more than during the year preceding. This was because fashion so strongly favored the silver fox.

Manufacturers and dealers have had to contend with greater financial restrictions than those in most other lines. Fluctuations of exchange created much uncertainty regarding values and diminished trade. The situation resulted in limitations to credit granting, and the difficulties in making collections created an unfavorable atmosphere and curbed banking facilities, thereby narrowing the breadth of activity. Collections, on the whole, were unsatisfactory all year, and affected both the wholesaler and the retailer.

One of the general redeeming features of the present situation is the extremely limited amount of manufactured merchandise on hand. All branches of the trade have been unusually careful to maintain inventories at a minimum, which is consistent with the reduced buying power of both classes.

Authorities are of the opinion that should no radical changes in general business conditions occur

during 1933, a change for the better may be anticipated. The cost of units at the present time is the lowest recorded for many years. The abnormal losses suffered by many producers have eliminated a number of active producers from the industry, thus lessening competition. Many of those who succumbed to the pressure of the times had been considered unethical in their conduct of affairs, and their passing should permit a more liberal working margin for the manufacturer continuing in business. The heavy losses incurred during the past few months have necessitated a closer checking of credits.

#### WINNIPEG

The output of manufactured furs in this district declined from 25 to 30 per cent during 1932. Values were about 30 per cent lower. The attractive offerings in the retail trade developed a fairly good volume of business, some of which was for cash, but the large percentage was on the deferred payment plan. The best-selling items were Hudson seal and muskrats. Both wholesale and retail prices were lower, as a rule. A few fancy furs, such as silver fox, mink, and white fox, however, advanced about 25 per cent from the 1931 quotations.

Wholesale collections last year were slower in proportion to the volume of business done than during 1931. Retail collections, on the other hand, held fairly steady, doubtless due to the more careful scrutiny of credits. There is no apparent indication of any general betterment in the trade. Sales in the western Provinces have fallen off markedly. As compared with other lines of apparel, however, the fur trade has shown considerable stability, and few failures of exclusive fur dealers have been recorded. The outlook may be classed as fair, and much better than for some other lines.

Raw furs have been moving in good volume during the last few weeks. A feature of the market has been the revival of demand

for badger, an article which was neglected during the earlier part of the season. It is expected that the beaver which will arrive from now on will be much better in quality than that previously received. The bulk of the skins thus far marketed have been number twos, partly blue pelted.

Mink of good quality and color continues in demand at the higher levels recently established. The demand for weasel, while not large in volume, continues steady. The muskrat season will open shortly and there is considerable speculation in the trade about the price basis which will be established when shipments start coming in. It is predicted that prices will open up at about the same level at which the market closed last season.

The silver fox crop has been fairly well absorbed, only a few pelts now appearing on the market. Prices for this articles continue to hold at the higher levels recently established. Wolves are in particularly strong demand just now, and sufficient quantities are not available to meet it.

The quantities of merchandise handled by the Dominion Fur Auction Sales, Ltd., since the season began never have been exceeded at this date in this city in any previous year. At its sales during the early part of February of collections of McKenzie River, Western Arctic, and Northern Manitoba furs, bidding was unusually good on all articles, with the exception of muskrats and beaver, which still are neglected, and some heavy advances were recorded.

#### FAILURE UPTREND RESUMED

In the failure record of the fur industry for 1931, there was a marked decrease in both the number of defaults and the amount of the liabilities involved, as compared with the showing of the year preceding. The declining trend, however, was not carried into 1932, as the 253 insolvencies were nearly three times the 85 listed in the compilation in 1931,

while the defaulted indebtedness almost doubled, rising from \$3,187,885 in 1931 to \$6,081,964 in 1932.

#### Merchants and Manufacturers

Year	Number	Liabilities
1927.....	93	\$1,672,220
1928.....	85	1,446,400
1929.....	88	2,199,100
1930.....	79	2,357,300
1931.....	59	2,271,300
1932.....	114	2,975,451

#### Wholesalers and Retailers

Year	Number	Liabilities
1927.....	52	\$1,210,820
1928.....	97	1,590,304
1929.....	64	3,041,860
1930.....	57	3,622,326
1931.....	26	916,585
1932.....	139	3,106,513

#### NOTICE

*Dun & Bradstreet Weekly Review* each week carries a current detailed survey of an important industry. A total of twenty-one different lines are reported in this way, each being covered at least twice in the course of the year.

The next review of the Fur Trade will be published in the July 29th issue of the *Dun & Bradstreet Weekly Review*.

Next week—March 11th—the subject of the special survey will be Dairy.

These industries will be surveyed in this sequence:

- Furniture
- Rubber Goods
- Paper Boxes
- Clothing
- Farm Equipment
- Jewelry
- Electrical Supplies
- Iron and Steel
- Radio
- Hardware
- Paint and Wallpaper
- Dry Goods
- Paper
- Automobiles
- Drugs
- Plumbing Supplies
- Shoe and Leather
- Building
- Grocery



# MARKED RECESSION IN COMMERCIAL FAILURES

Commercial failures in the United States continue lower. The total this week, as shown by the records of R. G. Dun & Co., was 571, compared with 637 a year ago. The complete report for February this year is not available at this time, but for the past four weeks the number has been 2,432, compared with 2,861 a year ago and 2,591 in the same period of 1931. This year's defaults were 15.3 per cent below those of last year, and 6.5 per cent under those of 1931. Furthermore, 2,919 business failures occurred in January, 1933, the decline for February being 17.0 per cent, which is in excess of the usual reduction for those two months.

Quite an improvement appeared as to the number of business defaults in the South and the West. Failures in the East and for the three Pacific Coast States were slightly more numerous than they were a year ago. Of the past week's failures in the United States, 363 had liabilities of \$5,000 or more in each instance, against 368 and 418, respectively, in the two weeks preceding, and 445 similar defaults a year ago.

Canadian failures numbered 66, against 61 in the week previous. Last year, for the corresponding period, 65 defaults occurred.

## FAILURE TREND FAVORABLE

A definitely encouraging feature of the commercial failure record of 1933 is the decidedly favorable comparison which the total of each week has made with the total of the corresponding week in 1932.

The trend is particularly heartening in view of the fact that a reduction in comparative failure totals has occurred in the latter stages of all past depressions—when commercial liquidation was fairly complete and business re-

vival was in the making. This downtrend during 1933 is a continuation of the same trend for the entire last quarter of 1932, compared with the same period of 1931.

The comparative totals for this year and last are shown in this total:

1933	Number	Number Corresponding 1932 Week from 1932	Percentage Decrease
Jan. 5...	596	739	-19.4
Jan. 12...	726	781	-7.1
Jan. 19...	691	855	-19.2
Jan. 26...	702	812	-13.5
Feb. 2...	660	780	-15.4
Feb. 9...	629	693	-9.2
Feb. 16...	563	751	-25.0
Feb. 23...	571	637	-10.4
Total ..	5,138	6,048	-15.0

## INSOLVENCY INDEX LOWER

Dun's Insolvency Index for February of 159.0 compares with 179.4 for January. This is a drop of 19.6 points. Some reduction from January to February is to be expected, although the decline shown for this year is somewhat greater than is usual. Going back to a normal period such as that of 1925 to 1929, the average reduction from January to February was 11.3 points.

For the years last mentioned, the Insolvency Index was considerably lower than it has been for any year since 1929. Failures were at that time much less numerous than they have been since. The average for February in the

five years covering 1925 to 1929, resulted in an Index of 128.2. This was 30.8 points lower than that for the same month of the current year.

The Insolvency Index for February, 1933, is by no means as high as it has been in some other years of the past decade. The Index last month of 159.0, compares with 165.9 last year; 169.0 for February, 1931, and 168.7 for February, 1922, in all of which years various economic disturbances caused many business defaults. In each of the years above mentioned, there was a reduction in the Insolvency Index from January to February ranging as high as 35.9 points a year ago.

The increase in the number of business failures in the United States continued throughout the greater part of the year 1932, the number of such defaults for that year being in excess of any previous record. The heavier failure report first became conspicuous in the last three months of 1931. There was an unusual increase in the succeeding month of January, with very little relaxation until late in the Summer of 1932. The first sign of betterment made its appearance in September of that year. From that time on, the improvement continued, and has been carried into 1933.

SECTION	Five Days Feb. 23, 1933 Over \$5,000		Five Days Feb. 16, 1933 Over \$5,000		Week Feb. 9, 1933 Over \$5,000		Five Days Feb. 25, 1932 Over \$5,000	
	Total		Total		Total		Total	
East .....	162	239	162	227	192	269	183	233
South .....	72	127	86	146	83	134	115	185
West .....	91	140	73	122	95	151	107	157
Pacific .....	38	65	47	68	48	75	40	62
U. S. ....	363	571	368	563	418	629	445	637
Canada .....	24	66	29	61	30	53	32	65

	Monthly			5-Year Average		Monthly	
	1933	1932	1931	1925-29	Ratio	1922	1921
February .....	159.0	165.9	169.0	128.2	147.0	168.7	123.4
January .....	179.4	201.8	185.2	139.5	160.0	173.7	126.2
		1932	1931			1921	1920
December .....	145.3	158.8	140.7	112.0	128.3	159.6	114.0
November .....	130.9	141.2	127.0	107.1	122.8	132.8	112.3
October .....	137.8	134.7	117.0	90.2	103.8	107.3	107.3

# BANK CLEARINGS AT YEAR'S BEST LEVEL

Bank clearings again are somewhat irregular, due mainly to the temporary suspension of banking operations at a number of points. Clearings at several leading centers now are entirely omitted, and at others are materially reduced. The total, however, is substantially higher than that for any week this year, amounting to \$5,093,840,000.

These figures cover all important cities in the United States, as shown by the records of Dun & Bradstreet, Inc. In comparison with the total of a year ago, the loss is only 3.5 per cent. At New York City, the amount was \$3,645,865,000, a decrease of 1.0 per cent, while the total for the cities outside of New York of \$1,447,975,000 was 8.5 per cent lower.

At a number of important cities, clearings for the past week exceed those of a year ago. These include Philadelphia, Buffalo, Richmond, Dallas, San Francisco and Portland, Oregon. The reduction at many points is much less than it has been for many months past. In the number outside of New York may be included Boston, Pittsburgh, St. Louis, Kansas City, Minneapolis, and several Southern points.

Clearings in January were considerably below those of last year. The loss for the month was nearly 25 per cent. It was below this average in the last two weeks of the month. Even at the decline here shown, there was some improvement for January in the comparison with the preceding year, over nearly every month of 1932. For most of the months last year there was a reduction in bank clearings below those of the preceding year of 35 or 40 per cent and in some months it was even higher.

Clearings for February, with some part of the record omitted,

are at a higher rate than for any month since October of last year. Under ordinary conditions, the clearings for each of the three intervening months should have been considerably above those of February.

The improvement in bank clearings during February this year is clearly shown in the record from week to week. In the following table is given the total for each week so far this year:

Week Ending	1933	Per Cent
March 1.....	\$5,093,840,000	— 3.5
February 22....	3,987,937,000	+ 0.8
February 15....	3,517,620,000	—25.1
February 8....	4,716,383,000	+ 2.6
February 1....	4,241,236,000	—22.8
January 25....	4,019,950,000	—17.3
January 18....	4,453,143,000	—24.2
January 11....	4,390,511,000	—25.0
January 4.....	4,816,277,000	—25.8

The disturbance in banking circles, which occurred in February undoubtedly was reflected in the weekly report of bank clearings for the week of February 15. For that week clearings were considerably below those of any other week

this year. At some cities in that week a holiday was observed, but this was not general. In the succeeding week, the report covered only five days, yet the clearings were higher. For the final week of the month, the total showed a large increase. In part, this may be due to the fact that the heavier settlements, incident to the first day of March are included in the record for the past week. In the corresponding week of last year, there were included the first two days of the month. Had this variation not occurred, bank clearings this week might have exceeded those of a year ago instead of showing a loss of 3.5 per cent. Ordinarily, the monthly settlements incident to the opening of the month cover three days, and clearings for those days are higher.

In the accompanying table clearings at leading points are compared with those of last year; the average daily report for the past four months also is included:

	Week March 1, 1933	Week March 2, 1932	Per Cent
Boston .....	\$218,984,000	\$243,469,000	—10.1
Philadelphia .....	367,000,000	300,000,000	+22.3
Baltimore .....	20,080,000	66,966,000	—67.0
Pittsburgh .....	91,842,000	99,978,000	— 8.1
Buffalo .....	29,600,000	26,900,000	+10.4
Chicago .....	196,100,000	254,600,000	—23.0
Cleveland .....	54,687,000	75,339,000	—27.4
Cincinnati .....	28,906,000	44,931,000	—35.7
St. Louis.....	54,800,000	66,400,000	—17.5
Kansas City.....	65,041,000	68,941,000	— 5.7
Omaha .....	18,813,000	24,874,000	—24.4
Minneapolis .....	41,903,000	48,221,000	—13.1
Richmond .....	28,947,000	27,600,000	+ 5.0
Atlanta .....	26,700,000	28,600,000	— 7.0
Louisville .....	15,697,000	18,000,000	—12.8
New Orleans.....	25,017,000	30,407,000	—17.7
Dallas .....	26,524,000	24,079,000	+10.2
San Francisco.....	102,000,000	95,900,000	+ 6.3
Portland .....	15,821,000	15,683,000	+ 0.9
Seattle .....	19,313,000	23,255,000	—16.9
Total .....	\$1,447,975,000	\$1,584,143,000	— 8.5
New York .....	3,645,865,000	3,683,061,000	— 1.0
Total All.....	\$5,093,840,000	\$5,267,204,000	— 3.5
Average Daily			
February .....	\$745,217,000	\$803,848,000	— 7.3
January .....	732,125,000	972,406,000	—24.7
December .....	736,693,000	1,030,163,000	—28.5
November .....	678,686,000	943,602,000	—28.1

# TRADE REVIEW OF WEEK

**T**HE steadier course of trade was somewhat more apparent this week, with less adverse news on the banking situation dispelling some of the haze and bringing composure to most divisions of production and distribution. Had developments fraught with potential hazards of such magnitude descended upon business at a time when it was less firmly entrenched and less thoroughly liquidated, it would be difficult to trace the dire portents which might have followed in their wake. Backed by timely legislation and the co-operative attitude of trade leaders, the balance has been restored to a fairly even keel, despite isolated signs of confusion which continue to crop out in a few places.

It was to be expected that there would be a holding back of prepared programs for expansion, awaiting the settlement of banking disorders, and that reports of betterment would be lacking in uniformity. Collectively, however, these have over-balanced the total of unfavorable elements. The fact that a new administration will take control of the government inspires hope that constructive measures to clarify political, financial, and economic conditions will not be long delayed.

Fortunately, the schemes for currency manipulation are losing much of their early appeal, and it has become apparent of late that the nation will work itself out of unsound monetary notions without legislative interference, as fears regarding inflation possibilities have been outrunning actual developments by far. Multiplying indications point to the emergence of the present system unscathed from the unjust attacks to which it has been subjected ignobly.

Further evidence of a greater

degree of stability in general business is present in the constantly narrowing percentage of decline of retail sales from last year's figures, both by stores in the large centers of distribution and in the outlying districts. Firmer price levels in some lines have strengthened the movement of trade, with a wider swing in the upward direction awaiting a further increase in employment.

Accumulating facts bear clearer evidence that buying restraint in all directions soon must be relaxed, retailers especially running the risk of going into their best Spring selling period with stocks far below the irreducible minimum. While reports of general industrial activities are less encouraging than they were a few weeks back, there is unmistakable evidence that the ground which has been gained is not being ceded without a struggle.

## RETAIL TRADE STEADY

Retail trade showed an appreciable improvement over last week's general level, although lacking the stimulus of the Washington's Birthday holiday. Milder weather brought a wider interest in women's Spring wearing apparel, including millinery, hosiery, and shoes, with volume handled in a number of instances equalling that for the comparative period of a year ago. The increased sales recorded for men's wear lines were almost entirely the result of unusual price appeal, as stores are making strong efforts to clear out their present stocks in preparation for Spring goods.

Many retailers in the Middle West reported an increased credit business, due to the restrictions placed on bank withdrawals, and the inability of chain stores to depart from their usual cash sales

policies. It is expected that a part of this gain will be permanent. Retail sales in most of the districts affected have held steady, with merchants maintaining a satisfactory position through further adjustment of operations to offset loss of volume. There has been no curtailment in the movement of groceries and provisions, and prices have risen somewhat above their previous low levels.

## STORE-WIDE SALES POPULAR

One of the outstanding factors in the maintenance of retail volume, in the face of the vagaries of the weather and the continued recurrence of extraneous retardative influences, has been the increasing attention given to store-wide sales. Emphasis on these sales-building promotions has been particularly strong since the first of the year. For a time this method of merchandising lost some of its force, but renewed interest now is being accorded it with undeniable success in stimulating purchasing by consumers.

Usually all departments of the store share in the daily promotional sales, which feature thousands of items, with effective tie-ups with newspaper and radio advertising and window displays. In addition to the individual store, the entire community usually is benefited by such events, as the public is aroused to a better buying mood, the lack of which has been no minor reason for the restricted purchases of the last few years.

## WHOLESALE BUYING BROADENS

Retailers throughout the country have planned intensive store-wide events to begin next week, in the hope that seasonal influences, aided by the new administration will give a stronger



impetus to consumer demand. Many merchants were in the leading wholesale markets to prepare for these special promotional sales, and the registration of buyers ran about even with that of the week preceding, but total purchases were somewhat larger. A sharp pick-up in mail orders served to break much of the lull which had featured buying in the apparel trades for several weeks, as retailers now are beginning to note increased interest in Spring merchandise.

Salesmen on the road provided a good portion of the week's new business, and the number of their orders, rather than their size, indicated a growing public confidence in most districts. The deposit withdrawal restrictions enforced by several States has affected the wholesale trade less adversely than was anticipated, as most of the large houses have extended liberal credit lines to retailers in the affected territory to tide them over the emergency.

#### HARDWARE ORDERS GAINING

The reorders on early coat lines have stressed long-haired fur trimmings, with gray, blue, and beige the color favorites. Some calls have been received for silk coats, but the market still is undeveloped on this merchandise. Sports coats and untrimmed styles have sold well. Sheer dresses have been brisker in their movement, with a shortage apparent in some of the tucked, tailored chiffon types. The demand for blouses has become so large that it now is almost impossible to obtain immediate delivery on attractive merchandise. Many reorders were placed for sheer, jacket-type dresses in the better price ranges. The movement of millinery was the best that has been achieved thus far this season.

The floor covering trade has been light in recent weeks, and sales are being made in small lots for prompt delivery. Some types of Axminsters, woven through and showing the patterns to the back, have been in rather better

demand than other lines. Hard-surfaced goods have been relatively better than rugs and carpets in the volume of sales.

While orders for hardware have become more numerous, volume has been restricted to nearly half that booked last Spring. There has been a continuance of the slight improvement in the demand for builders' hardware, but expansion in this division is not expected during the remaining weeks of the first quarter. In the glass trade, blown tableware and novelties have been attracting attention, but plate glass continues neglected, and window glass still is quiet.

#### INDUSTRIAL PACE SLACKENS

Manufacturing concerns in nearly all lines report no great activity, except in certain specialties, such as replacement parts for automobiles and in the cardboard and printing industry, in which operations have increased to meet seasonal demands. Steel output has slowed down after several weeks of successive gains, with normal operations in automobile sheets and other original equipment curtailed, due to the banking situation in Michigan.

A decrease in orders and specifications for steel rails necessitated the shutting down of some rail mills, and indications are that present conditions will continue until railroads come into the market for rails and accessories. Structural steel orders are of good volume, mainly for bridge work, scattered over a wide area. In the rubber industry, decisive steps are being undertaken to stabilize production, prices, and distribution, with the ultimate outcome apparently depending upon the measure of co-operation within the trade.

Although textile and leather factories continue to make the best showing, in the shoe industry operations have fallen below expectations, as new business is being deferred because of the lateness of Easter. As it now is necessary for retailers to cover requirements on

women's styles, a sharp widening of schedules is expected during the next two weeks. Fewer fluctuations in hide quotations have imparted more stability to shoe prices.

#### TEXTILE OUTPUT CURTAILED

The rayon industry, which has been the leader in the very active textile production in the past four or five months, now is showing definite signs of recession. Current output averages about 90 per cent of capacity, compared with 100 per cent over a period of five months and, in the event of a continued slack demand, it is the intention of producers to curtail production sharply.

Print cloth sales have fallen substantially below the current high rate of production, but as shipments on past orders continue full there has been no material increase in the volume of unsold stocks at the mills. Some accumulations of the cheaper grades of cotton goods are reported, but most of the fine goods mills are curtailing their output rather than accumulate cloth. The position of blanket manufacturers has been aided somewhat by the larger purchases made for Red Cross uses. A good many of the woolen and worsted mills have completed their Spring runs, and have not gone into production on their Fall lines, as yet. Most of the silk fabric manufacturers are lessening their output.

#### MEAT PACKERS BUSIER

There has been a definite improvement in all departments of the meat-packing industry, and operating schedules have been extended. Machinery, both general and special, continues to drag, but there has been some improvement in the electrical supply business, lighter equipment especially being in better demand. Paper box manufacturers, who have been busy on jig-saw puzzles and the containers for these, continue to receive an increasing volume of orders, which has tended to counteract slowness in other divisions.

# BUSINESS CONDITIONS—BY DISTRICT

**BALTIMORE** Milder weather brought retail sales above the record of the previous week, with interest strong in all Spring apparel lines. Demand for hardware was slightly stronger, and a slight improvement was noticeable in the paint and wallpaper lines. Houses specializing in the food products are faring better than they did last year; volume does not fluctuate widely in this line, and readjustments are said to have curtailed losses materially.

Reports emanating from the shoe trade continue to be encouraging, and footwear manufacturers now are running close to capacity. Wholesalers of bakers' and confectioners' supplies are fairly busy, but manufacturers of chocolate products and other confections report current trade to be disappointing. Recent weather conditions have favored the oyster industry, and prices continue high.

**BOSTON** There has been no noticeable improvement in either wholesale or retail lines, and business continues slow. The wool market is quiet, with prices uncertain. Top makers are unwilling to book new orders on the basis of current prices for the finished material, but a slight improvement in the outlook is noted. The sales of cotton cloths have been restricted to small lines. Some accumulations of the cheaper grades of cotton goods are reported, but most of the fine goods mills are curtailing their output rather than accumulate cloth. Shoe manufacturers are getting well under way, repeat orders have not begun to come in from the larger distributors, as consumer buying of Spring needs is slow in starting.

**BUFFALO** Retailers report unsettled conditions and for the past week, trade was quiet. Department store sales were light, notwithstanding extensive advertising. A slight recession in retail

prices is noted. Operating costs are being reduced, and fixed charges by way of rentals are being curtailed. Lower stocks of merchandise are being carried with a speeding up of turnover. Mark-down sales appear less frequently, with store-wide sales being more generally replaced by department sales.

**CHICAGO** Retail trade showed an appreciable improvement over last week's general level, although lacking the stimulus of the Washington's Birthday holiday. There were more customers in the stores, and mild weather brought a greater interest in Spring apparel lines. Housewares also were in active demand.

The declaration of banking moratoria in Michigan and Ohio had less effect on the wholesale dry goods trade than was expected. The large houses here extended liberal credit lines to retailers in the affected territory to tide them over the emergency. Many of the retailers reported an increased credit business, due to the absence of cash, and the inability of chain stores to depart from their usual cash sales policies. It is expected that a part of this gain will be permanent.

**CLEVELAND** The failure of Michigan banks to reopen regularly for business, at the expiration of the eight day moratorium, evidently had the effect of creating a nervous and, to some extent, a demoralizing feeling in this section of Ohio. Cash withdrawals from banks began reaching alarming proportions toward the end of the week and last Saturday an agreement was reached between seven out of eight of the local State and national banks to restrict withdrawals to 5 per cent.

On February 27, this agreement went in effect as a temporary measure, pending the enactment of new banking legislation, which was ex-

pected to be passed during the week, by the State Legislature. The 5 per cent withdrawal agreement extends to all kinds of bank accounts, including commercial, savings, and time deposit accounts. It does not apply to the deposit and withdrawal of new deposits. One national bank refused to join the plan as outlined above, and continues transacting business as usual.

**CINCINNATI** New designs in light-weight wearing apparel and millinery now are being displayed, and early sales in this division have, in some instances, equalled the volume handled during the same period in the preceding year. During the Spring Market Week, now under way, and ending on March 4, wholesale houses are offering many inducements to visiting merchants, embracing entertainment features and price reductions on practically all grades of merchandise.

The event this year has been planned on a more extensive scale than similar undertakings in the past, and houses co-operating in the movement cover almost the entire range of clothing, shoe, millinery and related lines. Sale of staple cotton goods, ladies' ready-to-wear, and prints are among the more active items.

**DENVER** Both wholesalers and retailers are experiencing a lull in demand, with seasonal carry-overs the smallest in years. Some Spring buying is in evidence. Employment showed no improvement over the record of the week preceding. Both wholesale and retail prices remain stationary.

**DETROIT** The handicap of banking moratoria throughout the State of Michigan has distorted many of the important business statistics, slowing up retail trade to the lowest level of the last decade. Currency in the hands of the public

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increased sharply, due to shipments from outside States and from hiding. General manufacturing has lagged perceptibly during the last week or two. Automobile schedules of production are 5 per cent higher than in the corresponding week of last year, and steel has been helped by automobile demand.

**KANSAS CITY** Local wholesalers report that in seasonable lines more interest is manifest, but orders, so far, are small. The general run of business has been slow. It is expected that the more favorable temperatures will serve to stimulate early Spring activity. Leading farm products for the week showed a somewhat uneven price trend.

**NEWARK** While distribution at retail continues along nearly normal lines, trade in general is rather quiet. Well-advertised clearance sales so far this year have not brought about results comparative with those of other seasons. The semi-annual furniture sales have been rather disappointing in volume. Demand for household goods, including floor coverings, is quiet. Dealers in men's clothing and furnishing goods report the demand unchanged, though shoe sales are fairly active.

**LOS ANGELES** Retail sales during the week have held fairly steady and a satisfactory position is maintained through further adjustment of operations to offset loss of volume. Slightly warmer weather stimulated, to some extent, the sale of Spring merchandise. Manufacturers of ready-to-wear are beginning to receive increased orders, and those factories that have switched to the more tailored style change have been unusually busy.

**PHILADELPHIA** With Winter merchandise in the background and

the weather still too cold to favor the movement of Spring goods, sales at retail this week could do no better than to hold steady at former levels. Strong resistance is being offered to influences which might curtail distributive volume, and with most stores the gains registered during the opening weeks of February have been held.

Current demand is being centered largely on Spring suits and millinery, although shoe sales increased during the week, and a fair business was reported in hosiery lines. Men's clothing has been moved largely as the result of attractive price appeal. Sales of radios increased in February, due to the strong demand for the diminutive sets.

**PITTSBURGH** Milder weather has resulted in a falling-off in the demand for Winter merchandise, but sales of Spring goods have shown a moderate increase, particularly in women's apparel, including millinery and shoes. There has been little change in the demand for men's wearing apparel, sales being in comparatively small volume and, as yet, little demand is in evidence for Spring suits and topcoats. Some improvement has been noted in the movement of hosiery.

Furniture and house-furnishings had a fair sale during February, but the low prices brought the dollar volume under that of last year. The movement of groceries and provisions has been fair at the reduced price levels which have prevailed since last Fall. Lumber and other building materials still are moving slowly, with construction work showing no material improvement.

**RICHMOND** Wholesale trade in dry goods, shoes and hardware shows an increased dollar volume, as compared with this season a year ago, but wholesale grocery

volume is about 10 per cent off. Jobbers of drugs and sundries report a recent decided increase in sales above the low level experienced in December.

Inventories in these lines range from 6 to 20 per cent lower than a year ago, but are above those at the first of the year. During January, for the first time in history, cotton consumption in the Fifth Federal Reserve District exceeded 50 per cent of the total used in this country.

**SAN FRANCISCO** Retail business is moving along at a fairly steady pace, but there has been only a little increase over the previous week. Department stores are showing considerable Spring merchandise. Cold weather has depleted the stocks of heavy merchandise to an extent which is regarded highly satisfactory by large retailers.

There still is a tendency on the part of the public to shop for cheaper merchandise, and commodities prices, as a result, display much sensitiveness.

**ST. LOUIS** Local department stores report sales quiet for the week, with little hopes of improvement within the immediate future. Shoe manufacturers and jobbers are receiving a representative number of orders for Spring merchandise, with moderate prices dominating. Local millinery houses report orders scarce and confined mostly to small lot shipments. Manufacturers of ready-to-wear clothing showed some progress over the previous week, and it is believed that February business made a good average in this trade.

A lack of interest is reported by flour millers and grain merchants, with most of the business transacted consisting of single car shipments. Live stock prices continue at a low ebb while the market for farm commodities has declined steadily.



# STATISTICAL RECORD OF

## U. S. Grain East of Rocky Mountains

Returns to *Dun & Bradstreet, Inc.*, of available wheat stocks held on February 25, 1933, in the United States, Canada, leading ports of the United Kingdom and the supply on passage for Europe, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

Wheat	Week ending Feb. 25, 1933	Changes from preceding week	Week ending Feb. 27, 1933
United States, east of Rocky Mountains.....	148,426,000	- 2,762,000	*206,078,000
United States, west of Rocky Mountains.....	3,542,000	- 25,000	4,295,000
Canada.....	223,439,000	- 1,921,000	180,966,000
Total, United States and Canada.....	375,407,000	- 4,708,000	*391,339,000
U. K. port stocks and floating supply (Broomhall)...	85,100,000	+ 100,000	73,700,000
Total, American and European supply.....	440,507,000	- 4,608,000	*465,039,000
Corn—United States and Canada.....	35,006,000	+ 1,251,000	*18,709,600
Oats—United States and Canada.....	34,578,000	- 635,000	*30,908,000

The combined aggregate wheat visible supply statistics, in bushels, follow:

Week ending	U. S. east of Rockies	U. S. Pacific Coast	Total U. S.	Canada	Total U. S. and Canada both coasts (Broomhall)	Grand Total
1931						
Jan. 3.....	195,718,000	4,291,000	200,009,000	205,854,000	405,861,000	454,861,000
July 4.....	192,468,000	9,572,000	202,035,000	118,318,000	320,353,000	378,158,000
1932						
Dec. 24.....	170,165,000	3,831,000	173,996,000	233,044,000	407,040,000	449,740,000
Dec. 31.....	168,958,000	3,855,000	172,813,000	233,592,000	406,405,000	449,705,000
1933						
Jan. 7.....	166,825,000	3,778,000	170,603,000	232,417,000	403,020,000	446,920,000
Jan. 14.....	163,875,000	3,715,000	167,590,000	230,566,000	397,956,000	444,356,000
Jan. 21.....	160,085,000	3,716,000	163,801,000	229,391,000	393,192,000	443,482,000
Jan. 28.....	158,228,000	3,747,000	161,975,000	228,647,000	390,622,000	443,422,000
Feb. 4.....	155,243,000	3,806,000	159,049,000	228,678,000	387,722,000	443,422,000
Feb. 11.....	153,748,000	3,774,000	157,512,000	227,518,000	385,335,000	443,335,000
Feb. 18.....	151,188,000	3,667,000	154,755,000	225,360,000	380,115,000	445,115,000
Feb. 25.....	148,426,000	3,542,000	151,968,000	223,439,000	375,407,000	440,507,000

## Wheat and Flour Exports

[By telegraph to *Dun & Bradstreet, Inc.*]

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

Week ending	1932	1931	1930
October 1.....	8,588,661	4,866,820	6,388,878
October 8.....	9,812,958	7,604,079	9,489,524
October 15.....	7,458,256	6,139,213	5,826,821
October 22.....	7,634,895	8,532,915	6,979,646
October 29.....	6,207,644	8,470,243	8,820,003
November 5.....	9,798,495	7,633,331	6,851,445
November 12.....	7,136,063	8,456,367	6,670,672
November 19.....	6,667,038	9,926,128	8,312,370
November 26.....	9,693,896	9,574,786	3,135,986
December 3.....	12,594,660	6,746,494	8,800,299
December 10.....	6,435,595	6,469,282	6,545,779
December 17.....	4,771,147	4,790,005	4,021,051
December 24.....	5,050,771	4,760,853	4,963,838
December 31.....	5,451,460	5,497,465	3,902,211
1933			
January 7.....	4,348,824	4,352,490	4,613,348
January 14.....	5,931,552	4,365,854	5,782,120
January 21.....	4,213,591	4,763,766	5,633,336
January 28.....	5,600,361	5,368,470	5,876,917
February 4.....	5,477,033	4,634,894	5,254,772
February 11.....	5,247,990	6,101,901	6,693,560
February 18.....	4,660,520	4,290,912	5,325,041
February 25.....	3,626,024	4,142,314	4,105,504
July 1 to date.....	204,813,572	202,631,288	241,528,765

Largest recorded exports week

October 23, 1924..... 18,114,823

Smallest recorded exports week

February 10, 1895..... 536,540

## Corn Exports

[By telegraph to *Dun & Bradstreet, Inc.*]

Corn exports in bushels from leading United States and Canadian ports compare as follows:

Week ending	1932	1931	1930
September 24.....	87,618	8,974	2,934
October 1.....	56,892	3,888	6,002
October 8.....	29,370	3,448	15,560
October 15.....	1,494	3,126	5,763
October 22.....	139,000	3,180	4,833
October 29.....	34,000	1,856	5,113
November 5.....	1,174,822	2,868	5,922
November 12.....	465,906	3,154	6,296
November 19.....	317,862	4,064	8,986
November 26.....	325,522	2,110	8,446
December 3.....	388,628	2,176	5,482
December 10.....	101,450	2,004	4,992
December 17.....	60,006	2,504	6,916
December 24.....	8,000	3,882	4,606
December 31.....	63,040	1,940	4,842
1933			
January 7.....	27,404	10,406	5,022
January 14.....	48,000	1,732	4,804
January 21.....	1,000	2,164	4,688
January 28.....	52,852	1,964	4,539
February 4.....	274,000	1,830	3,550
February 11.....	8,000	16,000	23,258
February 18.....	314,000	24,893	28,000
February 25.....	24,000	44,778	7,818
July 1 to date.....	4,431,742	231,798	379,680

## Cereal Exports by Ports

[By telegraph to *Dun & Bradstreet, Inc.*]

Export of cereals from leading ports in United States and Canada for the week ending February 25, 1933, were as follows:

From	Flour, barrels	Wheat, bushels	Corn, bushels
New York.....	14,257	425,000	.....
Albany, N. Y.....	.....	192,000	.....
Philadelphia.....	.....	80,000	.....
Baltimore.....	.....	.....	.....
Boston.....	7,000	80,000	.....
Newport News.....	1,000	.....	.....
Portland, Me.....	.....	.....	.....
Norfolk.....	2,000	.....	14,000
New Orleans.....	6,000	.....	9,000
Galveston.....	1,000	.....	.....
Houston.....	.....	.....	.....
Port Arthur.....	.....	.....	.....
Mobile.....	.....	.....	.....
Total, Atlantic.....	31,257	777,000	28,000
Last Week.....	38,691	746,060	314,000
San Francisco.....	13,000	.....	.....
Portland, Ore.....	5,311	.....	.....
Puget Sound.....	.....	.....	.....
Total, Pacific.....	18,311	.....	.....
Last Week.....	600	.....	.....
Total U. S.....	49,568	777,000	28,000
Last Week.....	39,291	746,060	314,000
Montreal.....	.....	.....	.....
Quebec.....	.....	.....	.....
Sorel.....	.....	.....	.....
Halifax.....	25,000	404,006	1,000
Vancouver.....	.....	1,588,968	.....
Prince Rupert.....	.....	.....	.....
West St. John.....	31,000	240,000	.....
St. John.....	.....	181,000	.....
Total, Canada.....	56,006	2,873,968	1,000
Last Week.....	171,645	2,965,308	.....
Grand Total.....	105,568	3,150,968	24,000
Last Week.....	210,936	3,711,368	314,000

## Grain Movement

Receipts at twelve Western lake and river points of flour and grains for the week and season compare as follows (000 omitted):

	Flour, bbls.	Wheat, bus.	Corn, bus.	Oats, bus.
Feb. 25, 1933.....	354	2,640	4,772	1,256
Feb. 18, 1933.....	331	1,944	2,443	821
Feb. 27, 1932.....	333	8,829	4,008	1,388
Feb. 28, 1931.....	383	7,443	4,852	1,428
Season July 2, 1932, to February 25, 1933—				
Flour, bbls.....	12,733	Corn, bush.....	133,262	
Wheat, bush.....	276,902	Oats, bush.....	66,769	
Season July 1, 1931, to February 27, 1932—				
Flour, bbls.....	14,337	Corn, bush.....	95,624	
Wheat, bush.....	319,905	Oats, bush.....	50,303	

Stocks of grain available in the United States February 25, 1933, in bushels were as follows, with comparisons:

	Wheat	Corn	Oats	Barley
United States				
Minneapolis.....	24,787	968	10,165	5,190
Duluth.....	15,014	290	2,847	957
Sioux City, Iowa.....	1,447	221	135	17
Milwaukee.....	5,642	1,559	734	654
Afloat.....	45	353	.....	.....
Omaha and Council Bluffs.....	14,908	2,374	1,628	43
Aberdeen, S. D.....	8	.....	.....	.....
Mitchell, S. D.....	1	1	1	1
Sioux Falls, S. D.....	1	.....	.....	.....
Hutchinson.....	5,525	.....	.....	9
Lincoln, Neb.....	690	10	.....	.....
Wichita.....	2,111	.....	.....	.....
Kansas City.....	38,280	789	315	91
St. Joseph.....	4,445	1,224	263	.....
Chicago.....	9,455	11,730	3,714	465
Afloat.....	281	272	.....	.....
Manitowoc.....	743	419	.....	.....
Peoria.....	11	10	408	.....
Kankakee.....	.....	220	.....	.....
Indianapolis.....	602	1,813	517	.....
St. Louis.....	4,127	2,431	721	10
Louisville.....	658	88	3	2
Chattanooga.....	104	96	.....	.....
Nashville.....	535	166	315	.....
New Orleans.....	75	538	194	.....
Houston.....	365	20	15	.....
Galveston.....	694	.....	.....	16
Fort Worth, Tex.....	4,226	49	847	88
Dallas, Tex.....	735	.....	.....	.....
Detroit.....	158	12	26	34
Erie, Pa.....	280	.....	.....	.....
Cleveland.....	88	.....	.....	.....
Mansfield.....	708	274	.....	.....
Dayton.....	8	4	5	1
Cincinnati.....	468	67	138	.....
Springfield, Ohio.....	75	.....	.....	.....
Youngstown, Ohio.....	.....	1	5	.....
Buffalo.....	5,906	6,859	1,643	624
Afloat.....	5,358	865	.....	282
Binghamton.....	20	10	5	2
Watertown, N. Y.....	.....	6	.....	.....
Boston.....	4	.....	9	.....
Providence, R. I.....	2	11	12	1
New York.....	190	374	18	1
Afloat.....	.....	179	.....	.....
Philadelphia.....	.....	35	32	.....
Baltimore.....	501	51	13	4
Newport News.....	.....	.....	.....	.....
Norfolk.....	2	64	20	2
Feb. 25, 1933.....	148,426	35,006	25,434	8,496
Feb. 18, 1933.....	151,188	33,755	26,132	8,553
Feb. 2, 1932.....	*206,078	18,709	16,709	3,529

## Canadian Grain Stocks

The available grain stocks in Canada February 25, 1933, follow with comparisons:

	Wheat	Corn	Oats	Barley
Canada				
Montreal.....	1,604	.....	419	424
Churchill.....	2,430	.....	.....	.....
Country Elevators.....	110,865	.....	4,214	3,215
Int. Term. Elevators.....	3,199	.....	50	2
Int. Private & Mfg. Elevators.....	5,179	.....	996	750
Ft. William and Pt. Arthur.....	62,549	.....	1,059	1,308
Canadian Afloat.....	4,025	.....	38	.....
Victoria.....	592	.....	.....	.....
Vancouver.....	8,373	.....	1,023	384
Prince Rupert.....	302	.....	.....	.....
Bonded Grain in U. S.....	8,582	.....	.....	.....
Other Canadian.....	15,739	.....	1,299	649
Feb. 25, 1933.....	223,439	.....	9,144	6,732
Feb. 18, 1933.....	225,360	.....	9,091	6,766
Feb. 27, 1932.....	180,966	.....	14,199	10,231

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to *Dun & Bradstreet, Inc.*, by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

## Pacific Coast Wheat Stocks

	Feb. 25, 1933	Feb. 18, 1933
Portland, Ore.....	1,700,000	1,727,000
Tacoma, Wash.....	542,000	527,000
Seattle.....	1,300,000	1,313,000
Total.....	3,542,000	3,567,000

# COMMERCE AND FINANCE

## FINANCIAL STATISTICS

	Feb., 1933	Feb., 1932	Ch'ge P. Ct.	Jan., 1933	Ch'ge P. Ct.
Bank clearings, N. Y. City (\$)	12,163,717	13,218,526	-8.0	12,645,925	-3.5
Bond sales, N. Y. Curb Exch. (\$)	77,865,000	62,718,000	+24.2	96,414,000	-19.2
Bond sales, N. Y. Stock Exch. (\$)	231,539,700	222,546,250	+4.0	263,030,600	-12.0
Corporate issues (\$)	200,000	47,709,000	-99.6	65,175,000	-99.7
Dividend & interest payments (\$)	430,350,585	490,069,212	-12.2	387,200,000	+11.1
Failures, number, Dun & Bradstreet, Inc.	2,019	3,458	-15.6	2,469	+13.2
Stock sales, N. Y. Stock Exchange	19,319,960	31,718,556	-39.1	18,719,502	+3.2
Stock sales, N. Y. Curb Exchange	2,848,836	3,994,865	-28.7	2,596,699	+9.7
	Jan., 1933	Jan., 1932	Ch'ge P. Ct.	Dec., 1932	Ch'ge P. Ct.
Bank clearings, U. S. (122 cities) (\$)	19,949,176	26,158,938	-23.7	20,738,986	-3.8
Bank debits, N. Y. City (\$)	12,412,637	17,675,903	-29.8	13,966,752	-11.1
Bk. debits, U. S. (\$)	24,465,797	33,568,575	-27.1	26,786,655	-8.7
Bond sales, Munic. (\$)	67,983,266	135,154,300	-49.7	144,039,715	-52.3
Fire losses (\$)	35,547,565	39,224,783	-9.4	39,190,506	-9.3
Foreign Trade, U. S. Mdee. Exports	120,000,000	150,022,000	-20.0	131,798,000	-8.4
Foreign Trade, U. S. Mdee. Imports	96,000,000	135,520,000	-29.2	97,085,000	-1.1
Life insurance, sales (\$)	614,431,000	944,848,000	-35.0	741,926,000	-17.2
Savings deposits, N. Y. State (\$)	5,317,000	5,240,000	+1.5	5,314,000	+0.1
	Dec., 1932	Jan., 1931	Ch'ge P. Ct.	Dec., 1932	Ch'ge P. Ct.
Automobile financing, retail (cars)	82,114	134,663	-39.0	82,089	+0.1
Automobile financing, retail (\$)	27,027,091	50,432,428	-46.4	27,694,897	-2.4
Ry. earnings, gross (\$)	246,062,200	288,645,768	-14.8	253,574,864	-3.0
Ry. earnings, net oper. income (\$)	32,856,895	27,618,392	+19.0	34,179,119	-3.9

## PRODUCTION

	Jan., 1933	Jan., 1932	Ch'ge P. Ct.	Dec., 1932	Ch'ge P. Ct.
Building* (215 cities) (\$)	17,744,805	42,429,665	-58.2	23,279,690	-23.8
Cement, prod. (bbls.)	2,958,000	5,026,060	-41.1	4,248,000	-30.4
Coal, anthracite (tons)	3,805,000	3,897,000	-2.4	5,089,000	-25.2
Coal, bituminous (tons)	27,063,000	27,892,000	-2.9	31,110,000	-12.9
Coke (tons)	1,866,427	2,188,823	-14.7	1,881,685	-0.9
Const. contr. awarded (37 states)†† (\$)	83,356,000	84,798,000	-1.7	81,219,000	+2.6
Cotton mill spin. hours*	6,787,577	6,213,000	+9.2	6,386,218	+6.3
Flour (bbls.)	5,253,819	5,466,486	-3.9	5,695,140	-5.9
Lead, refined (tons)	21,568	37,608	-26.7	24,707	+15.2
Newsprint, U. S. & Canada (tons)	214,983	265,568	-19.0	218,757	-1.7
Pig iron (tons)	568,785	972,784	-41.5	546,080	+4.2
Steel ingot (tons)	1,006,297	1,459,450	-31.0	844,618	+19.1
Tobacco and products	1,592,736	2,124,849	-25.0	1,848,471	-13.8
Cigarettes, small*	8,222,222	8,962,787	-8.3	7,319,117	+17.8
Cigars, large	296,640,206	342,923,509	-13.5	254,135,985	+16.7
Snuff, manufacturing (lbs)	3,033,446	3,608,348	-15.9	3,160,691	-4.0
Tobacco, manufac- tured (lbs.)	24,752,091	27,274,358	-9.2	20,955,090	+18.1
Zinc (tons)	19,859	22,471	-11.6	18,489	+7.4
	Dec., 1932	Dec., 1931	Ch'ge P. Ct.	Nov., 1932	Ch'ge P. Ct.
Acetate of lime (lbs.)	4,465,930	2,481,441	+80.0	3,770,397	+18.4
Automobiles (total cars & trucks)	107,403	121,541	-11.9	59,557	+80.3
Boots and shoes (pairs)	20,095,836	19,556,000	+2.8	25,148,928	-20.1
Boxboard (short tons)	157,357	163,539	-3.8	179,094	-12.1
Clothing, cut (number of units)					
Boys' overcoats and topcoats	12,726	15,909	-20.0	147,648	-91.4
Boys' suits	412,444	382,606	+7.8	562,686	-26.7
Men's overcoats and topcoats	480,652	480,569	+0.1	329,841	+45.7
Men's trousers	158,958	158,020	+0.6	406,443	-60.9
Men's suits	751,247	823,830	-8.8	932,058	-19.4
Electricity, k. w. h.*	596,381	726,936	-17.9	634,322	-6.0
Gasoline (bbls.)	7,127,000	7,773,000	-8.3	6,939,000	+2.6
Petroleum, crude (bbls.)	31,254,000	35,563,000	-12.1	32,072,000	-2.7
Steel castings, com (tons)	58,044,000	73,174,000	-20.7	65,384,000	-8.4
Sulphuric acid (short tons)	300,205	382,483	-21.5	373,190	-19.6
Tires	13,680	22,064	-38.0	13,712	-0.2
	119,350	168,782	+9.7	115,684	+3.2

## SHIPMENTS AND CONSUMPTION

	Jan., 1933	Jan., 1932	Ch'ge P. Ct.	Dec., 1932	Ch'ge P. Ct.
Anthracite, ship. (tons)	3,401,256	3,369,667	+0.9	4,512,498	-24.6
Carloading (cars)	2,071,600	2,370,600	-12.6	2,213,200	-6.4
Cement, ship. (bbls.)	2,502,000	3,393,000	-26.3	2,835,000	-11.7
Cotton consumption (bales)	471,202	434,726	+8.4	440,062	+7.1
Lead, refined	19,030	28,689	-33.7	24,089	-21.0
Newsprints, ship. (ton)	205,781	266,398	-22.8	219,772	-6.4

## SHIPMENTS AND CONSUMPTION (Continued)

	Jan., 1933	Jan., 1932	Ch'ge P. Ct.	Dec., 1932	Ch'ge P. Ct.
Rubber, crude, consump- tion (tons)	21,661	27,962	-22.5	16,990	+27.5
Silk consumption (bales)	46,204	58,793	-21.4	40,548	+13.9
Tin, deliveries U. S. (long tons)	3,725	3,550	+4.9	2,645	+40.8
Zinc, shipments (short tons)	15,040	22,404	-32.9	15,582	-3.5
	Dec., 1932	Dec., 1931	Ch'ge P. Ct.	Nov., 1932	Ch'ge P. Ct.
Box board, shipments short tons)	152,874	164,630	-7.1	178,189	-14.2
Gasoline consumption (bbls.)	27,191,000	30,529,000	-10.9	30,294,000	-10.2
Malleable castings (short tons)	14,366	18,423	-22.0	12,745	+12.7
Paint, varn. & laq. prod., sales (\$)	10,127,998	13,486,066	-24.9	13,260,328	-23.6
Paints, plastic, sales (\$)	50,170	40,890	+22.7	129,064	-61.1
Petroleum, crude, runs to stills (bbls.)	65,998,000	72,721,000	-9.2	65,504,000	+0.8
Prepared roofing, ship- ments (sq. ft.)	621,401	977,333	-36.4	1,202,279	-48.3
Steel barrels	307,259	385,435	-20.3	376,647	-18.4
Steel, structural, ship- ments (tons)	68,806	122,800	-44.0	76,000	-9.5
Tires	1,460,320	2,235,743	-34.7	1,374,848	+6.2
Wool consumption (lbs)**	36,532,000	31,625,000	+15.5	38,963,000	-6.2

\* (000 omitted.)

\*\* Grease equivalent.

† Dun & Bradstreet, Inc.

‡ F. W. Dodge Corp.

§ March, 1933, and corresponding months.

## GOVERNMENT STATISTICS

	Jan. 31, 1933	Jan. 31, 1932	Dec. 31, 1932
Det. U. S. gross (\$)	20,802,000,000	17,816,000,000	20,808,000,000
Population	125,270,000	124,502,000	125,198,000
Per capita (\$)	166.1	143.1	166.2
Money in circ. U. S. (\$)	5,644,652,165	5,641,205,046	5,674,941,484
Population	125,270,000	124,502,000	125,198,000
Per capita (\$)	45.06	45.31	45.33
General stock, mon. U. S. (\$)	9,684,149,751	9,378,002,702	9,704,030,113

## WEEKLY BUSINESS INDICES

### BAROMETER AND ITS COMPONENTS (in relatives)

	Latest week	Year ago	Previous week
Business activity	Mar. 1	47.3	45.1
Price index	Feb. 28	46.5	47.3
Bank clearings (Mvg. Aver.)	Feb. 22	37.3	38.3
Steel production	Mar. 4	19.6	22.0
Carloadings	Feb. 18	53.9	52.3
Electric power	Feb. 25	69.3	74.1

### ACTUAL FIGURES

	Latest week	Year ago	Prev. week
Food index, \$	1.49	1.79	1.51
Bank clearings, \$	4,156,631,000	4,153,331,000	3,717,376,000
Carloadings	514,390	572,606	501,320
Steel production, per cent capacity (Iron Age)	17	26	19
Elec. power output, Kwh.	1,425,511,000	1,512,158,000	1,469,732,000

### MISCELLANEOUS TRENDS

	Feb. 25, 1933	Year ago	Prev. week
Crude Oil			
Petroleum daily average production (bbls.)	2,192,600	2,138,050	2,082,650
Coal Production	Feb. 18, 1933	Year ago	Prev. week
Bituminous (tons)	7,580,000	6,630,000	7,736,000
Anthracite (tons)	1,279,000	874,000	1,240,000
Lumber			
Softwood, production (feet) (388 Mills)	76,064,006	87,952,000	75,028,000
Softwood, shipments (feet) (388 Mills)	94,254,000	121,066,000	85,499,000
Softwood, orders (feet) (388 Mills)	78,862,000	118,666,000	88,121,000
Hardwoods, production (ft.) (190 Mills)	7,647,000	11,266,000	8,923,000
Hardwoods, shipments (ft.) (190 Mills)	9,938,000	15,739,000	10,178,000
Hardwoods, orders (feet)	9,694,000	12,747,000	10,973,000

### FINANCIAL

	Feb. 25, 1933	Year ago	Prev. week
Stock volume, shares	4,933,253	4,693,451	4,325,200
Stock prices aver. (Herald Tribune)	80.26	92.09	82.84
Bond volume, \$	62,388,800	45,159,000	52,065,700
Bond prices, aver. (Herald Tribune)	73.19	81.32	76.09
Ratio brokers' loans to 100 stocks (Herald Trib.)	5.20	5.30	5.10
From Fed. Res. Statem't			
Federal Reserve ratio	61.20	68.90	64.36
Monetary gold stocks, \$	4,460,000,000	4,350,000,000	4,511,000,000
Federal Reserve Credit, \$	2,351,000,000	1,734,000,000	2,136,000,000
Currency circulation	5,988,000,000	5,592,000,000	5,854,000,000
Rediscount rate, New York, per cent	2.5	3.0	2.5
	Feb. 22, 1933	Year ago	Prev. week
Brokerage loans (Fed. Reserve), \$	429,000,000	489,000,000	427,000,000
Bank debit U. S. (Federal Reserve), \$	5,282,000,000	5,706,000,000	4,950,000,000

# THE THEORY OF INFLATION

by JOSEPH STAGG LAWRENCE

**W**HEN Columbus set sail westward in order to reach land which was definitely known to be east of him he was acting on an untested and incompletely demonstrated theory, a theory which held that the world was round. The theory contained an explanation of the manner in which the object was to be reached as well as a description of the object itself.

A similar dual-membered theory controls the advocacy of inflation. It shows how an increase in the volume of printed currency, the substitution of silver for gold, the devaluation of the gold dollar, the expansion of credit, will bring about the object of inflation. In the second place, it explains that object, i. e., rising prices and increasing business activity in such terms that it is not only clear but appears desirable and fully warrants the experiment.

## QUANTITY OF MONEY

The various proposals for inflation, insofar as they offer an assurance of effectiveness, do so in two general ways. The first of these may be said to stress the physical quantity of currency as the controlling factor in currency value; the second stresses the physical quality of the monetary unit.

Here, for example, is a proposal to issue ten billions of printed currency. The method of injecting this sum into circulation is to buy government bonds in the open market, spend the fund for public construction or merely use it to pay the normal operating expenses of the government.

"Now then," says the farmer and many of his fellow advocates, "If my wheat drops in value because the supply is increased why can we not force down the value of money by increasing its sup-

ply?" Note that the farmer does not demand that the ten billion be paid to him or that he serve as the godfather who will usher this vast sum into circulation.

Rather, he feels that such an increase in the supply of money, no matter how it enters the channels of circulation, will reduce the value of currency, i. e., raise prices. This theory emphasizes the quantitative factor in the problem of money value and may be said in a very crude manner to form the foundation of a large group of more elaborate theories.

## VALUE BASED ON QUALITY

There is another theory which offers sanction of a different kind to some of the plans for inflation. This theory stresses the quality of money. Here, for example, is an advocate of gold devaluation, i. e., one who believes in reducing the gold content of the dollar. The law at present defines our monetary unit as 25.8 grains of gold, nine-tenths fine, i. e., 23.22 grains of pure gold. That is why we are said to be on the gold standard.

If the law had defined our dollar as 20 pounds of sugar we would be on the sugar standard. One group of students has always maintained that the value of the dollar depended on the amount of gold which it contained. If the law were changed so that the dollar would contain only 11.61 grains of pure gold then it would be worth only half as much as it is at present and prices would be twice as high.

Therefore, say the disciples of this theory, "Let us reduce the gold content of the dollar." Obviously, it is possible to reconcile the two, i. e., the quantity and the quality theory of money, for the man who now urges the devaluation of the gold dollar can say

with considerable logic to the quantity theorist, "My method fits in perfectly with your theories. If we cut the gold content of the dollar in half our present supplies of gold will go just twice as far and we will have twice as many dollars."

## NAIVE THEORIES

These two theories so far are charming in their simplicity. The movement for inflation has made such excellent headway partly, at least, because of the engaging logic with which they have been buttressed. Unfortunately, there is not one but many erroneous elements in these theories.

Consider first the concept "supply of money." What is the supply of money? Is it merely the sum of the various kinds of currency in circulation, or does it include bank deposits? Every reader knows, of course, that checks are used for almost every transaction of any size and that currency is used only where the payer is unknown, for minor transactions and where payment by check is inconvenient."

## WHAT IS SUPPLY OF MONEY?

Authorities estimate that anywhere from 85 per cent to 95 per cent of all transactions are settled by check. Obviously then, if we are to affect the supply of money to any appreciable extent it will be necessary to increase the total of bank deposits. The ten billion dollars which loomed so large when compared to the supply of currency is much less impressive when compared with the aggregate of bank deposits and currency, namely \$48,000,000,000.

This first cold suspicion is supported by additional evidence. What if the increase in currency should be nullified by a corresponding or greater decline in bank deposits?



That this is possible is quite apparent from the following figures: On June 30, 1930, aggregate bank deposits in the United States in all banks were \$53,681-million. Two years later this had declined to \$41,187.9-million, a drop of \$12,493.1-million. This is more than twice the total of outstanding currency today.

Obviously, if we are to remedy this failure of the *total money supply*, then such plans as that of Senator Patman for the issue of two billions of fiat currency have the same chance for success as the assault of the mouse upon the mountain.

### HOW BANK DEPOSITS GROW

Perhaps it would be more intelligent to examine the reason for and the manner of this decline in bank deposits during the past two and a half years. This requires a prior examination of the way in which bank deposits are created. Deposit volume is the result of two factors: First, a confidence on the part of a bank in its ability to secure the cash which the customer has deposited (no modern bank keeps the cash which its depositors leave). Second, an equal faith in the ability of a borrower to replace the credit which the bank has extended to him in the form of a loan.

Consider the creation of bank deposits through the presentation of cash (paper currency, gold, silver). In the infancy of banking the banker was a trustee who placed the coin of his depositors in his vaults and charged a fee for their safekeeping. Deposits at all times were matched by an equal amount of hard cash in the vaults. The banker could liquidate all accounts on demand even if the demands were made simultaneously. He realized early that these demands were rarely made simultaneously.

In fact, the greater the faith of the community in the probity and strength of the banker the less likely was it to make more than casual transfer demands for its funds. This faith is the essence

of the banking function. No other phrase describes it except *confidence*. Once the banker started to lend his clients' funds the maintenance of this confidence became the only condition under which he could operate.

### EXPANDING DEPOSITS

Furthermore, this confidence increased the total funds available to the community. If A, B, C, D and E each had a thousand dollars in the bank and the banker knew that not more than 10 per cent of this would be demanded at any one time he could safely lend, let us say, \$4,000 to W, X, Y and Z. These four borrowers probably found it more convenient (but only because they had faith in the banker) to leave the borrowed funds with the banker and pay their bills with drafts or checks on their deposits.

Thus, the banker with \$5,000 in actual cash nevertheless dealt with a community which had \$9,000 of claims against him. Furthermore, the \$9,000 being negotiable in the form of drafts on him served the same purpose as \$9,000 of actual currency in circulation.

### A CREDIT FACTORY

It should be noted that the total deposits of \$9,000 were created first by the actual deposit of \$5,000 in cash and secondly by the use of the bank's credit. The growth of deposits in a modern community follows these two lines. Savings deposits may be regarded as the difference between individual income and expenditure which is set aside for the future.

Demand deposits may be said to result from the loan of the bank's own credit. The bank in this sense is a credit or deposit factory. It should be noted that these two statements are true as generalities only and that both have numerous exceptions.

Why do these two forms of deposits increase? Savings deposits obviously increase because the 51,000,000 depositors have profitable employment and are able to earn

more than they spend. This is a function of prosperity and active business.

Demand deposits increase because the banker freely extends his credit in the form of loans. This he will do only because he feels that the borrower can use the funds profitably and will be in a position to repay them at the expiration of the lending period. This entire structure then is reared upon a base no more substantial than a state of mind, the feeling which all parties, but particularly the banker, have toward future profit prospects.

### ORIGIN OF DEFLATION

Consider the reverse of this process. Our starting point may be *peril to business profits*. The banker will not lend to an applicant whose prospects for the successful use of the credit are dubious. He will not renew loans to borrowers whose earlier bright prospects for profit have since dimmed. The logic of the banker here is unassailable. An enterprise must cover its costs and leave a margin to take care of service on loans. If this margin is not in sight the principal of the loan itself is in danger.

If business man Jones must repay a loan of \$100,000, it can be done only by drawing down his account (which may have been raised by desperate distress liquidation). Thus, loans and deposits drop at the same time. Savings deposits start to decline later and only after current individual income has been reduced to the point where it is no longer able to meet current expenses.

The state of mind which determines the volume of bank deposits then may be defined as confidence in the ability to conduct business at a profit. It should not be confused with the kind of confidence which political oracles have tried to inspire or with the back slapping, self-generating variety which flows from salesmen's pep meetings. This confidence cannot be produced by incense or incantation.

# THE BUSINESS WEEK

*The four divisions of business below, Wholesale and Jobbing, Retail Trade, Manufacturing and Industry, and Collections, are compared with last year.*

*Good (G) means above; Fair (F) equal to; Quiet (Q); Slow (S) below last year.*

*\* Detailed reports on cities starred may be found on pages 12 and 13.*

EAST					REMARKS
Who.	Ret.	Mfg.	Col.		
Boston *	Q	Q	Q	Q	Shoe manufacturing active but unsatisfactory credits retard numerous shipments; demand for leather continues fairly active; wool market at low ebb; department store Spring trade not developed to appreciable extent.
Philadelphia *	Q	Q	Q	Q	Department stores featuring Spring displays with volume 25 per cent below 1932; wholesale orders from hand-to-mouth; hide and wool markets slowing down, prices tending lower; collections backward.
EAST CENTRAL					
Chicago *	F	F	Q	S	Uncertainty characterizes general trade; merchandising lines tend toward conservatism following brisk activity; steel operating capacity recedes to 15-16 per cent; lack of moisture in Southwestern Winter wheat country causes further crop deterioration.
Cincinnati *	Q	Q	Q	S	"Sales" the feature of retail trade with volume below expectations; apparel producers increase output in anticipation of Spring demand; dry goods and notions on upgrade; drugs and chemicals equal 1932; manufacturing continues on curtailed basis.
Grand Rapids.....	Q	Q	Q	S	Activity among furniture manufacturers remains dormant; automobile producers resume scheduled operations following strike; lumbering remains depressed; unseasonable weather retards retailing.
WEST CENTRAL					
Kansas City *	Q	Q	Q	S	Wholesale buying disappointing; retail demand concentrated on moderate priced goods; flour mill operations about 50 per cent of capacity—Sales around 60 per cent; zinc prices exceedingly low; unemployment acute; collections continue to lag.
Minneapolis *	Q	Q	Q	S	Retailers featuring Spring merchandise with scant response; wholesaling, manufacturing and heavy industries depressed; January building permit values 79.6 per cent below 1932; collections hard to make.
St. Louis *	Q	Q	Q	S	Shoe production on continued upgrade; apparel manufacturers get increased Spring orders; lead and zinc prices drop with consequent recession in output; numerous bank suspensions create further uncertainty in financial circles; commodity prices only fair.
SOUTH ATLANTIC					
Baltimore *	Q	F	Q	S	Three-day bank holiday adversely affects trade; merchants' Spring merchandise moving in satisfactory volume; women's apparel best favored with men's clothing in fair call; drugs and chemicals less active than in January.

# IN SUMMARY REVIEW

SOUTH CENTRAL					REMARKS
Who.	Ret.	Mfg.	Col.		
Nashville .....	Q	Q	Q	S	Wholesale orders more frequent but for immediate needs; retail volume far below normal with buying confined to necessities; manufacturing reveals little tendency toward expansion; construction remain dormant; collections restricted.
San Antonio .....	Q	F	Q	F	Slight improvement in retail trade; wholesale demand confined to necessities; truck and fruit growing areas badly affected by recent freeze.
Tulsa .....	Q	Q	Q	S	Mid-continent crude oil production advances; gasoline market poised pending developments in crude situation; refiners' shipments excellent but future orders limited; fuel oils steady with prices unchanged; retailing reveals definite improvement; collections lag.
PACIFIC and MOUNTAIN					
Butte .....	Q	Q	Q	S	Retailers forcing volume through "sales"; wholesale trade continues to lag; collections virtually impossible; heavy snow insures sufficient moisture for Spring planting.
Denver * .....	Q	Q	Q	S	Advent of new season stimulates retail movement; wholesale distribution limited; manufacturing at low ebb; silver mining interests rehabilitating property in anticipation of better markets; Spring farming activity to reduce unemployment.
Los Angeles * .....	Q	Q	Q	S	February trade exceeds previous month but remains far below former years; apparel and millinery manufacturers active on moderate Spring orders; textiles moving on hand-to-mouth basis; fuel oil and refined products shipments showing renewed activity; crops progressing favorably.
Portland, Ore. ....	Q	Q	Q	S	Recent gain in hog prices somewhat offset; cattle and wheat markets steady; alfalfa demand improves; substantial increase in onion shipments; lumbering quiet.
San Francisco * ....	Q	Q	Q	S	Seasonable weather stimulates retail trade; during January 1,187 identical manufacturers showed declines of 8.2 per cent in employment, 19 per cent in pay rolls and 11.8 per cent in earnings as compared to last year; dried fruit movement good, stocks reduced and prices tend upward; municipal construction constitutes main building activity.
Seattle .....	Q	Q	Q	S	Wholesaling at low ebb; retail buying confined to necessities; apparel manufacturers receiving better orders but volume remains below 1932; demand and prices for canned salmon stiffen; building and allied lines dormant; collections backward.
Spokane .....	Q	Q	Q	S	Wholesale and retail demand confined to immediate requirements; live stock receipts and prices light; inclement weather retards highway and railroad traffic; building and lumber dormant.
CANADA					
Winnipeg .....	Q	Q	Q	S	Retail demand centered on necessities; wholesaling shows very slight improvement; manufacturing on gradual uptrend; collections fair to slow.



# SECURITY MARKETS

## QUIET

Trading in securities was largely a routine matter on the New York Stock Exchange this week, with activities confined almost entirely to professional operators. The listed bond market was relatively far more active than the equities sections, as persistent endeavors were afoot to

translate many senior securities into cash, in line with the current nationwide hoarding movement. This resulted in some precipitate declines in the quotations of soundest bonds, but there also were upswings, as bargain hunters made their appearance and the net changes for the week were not alarming.

Transactions in stocks on the Big Board were above the million mark in the initial trading session, but the activity lessened rapidly in subsequent periods. Obvious uncertainty was occasioned in the minds of traders and investors by the rapid changes in the banking situation throughout the nation. In view of the low prices now current, however, no very great pressure to sell was manifested, and the changes in stock quotations were surprisingly small.

### BANKING REMEDIES EXPECTED

Moreover, there is a distinct hopeful note in the expectation of corrective action by the new administration in the present banking situation. Most stockholders are convinced that President Roosevelt and his associates will move quickly to prevent further uncertainty, and any measures of this sort would have a good effect. The share list, accordingly, moved in a rather narrow range all week, with successive losses and rallies cancelling each other in large part. Some issues made net gains, in

*Price changes relatively few and volume of active stocks declined early in week, with trading small during dull week. A few issues rallied later. Sentiment stronger on possibility of corrective banking legislation. Corporation and government bonds drop in response to light selling. Foreign bonds lower.*

fact, as a result of improvement in commodity prices, the gains in this sphere appearing especially satisfactory to holders of equities at a time when general trade is severely hampered by the banking restrictions in many parts of the country.

Even the far-reaching advances in money rates during successive days of the week appeared to exercise little direct influence on the stock market, although, normally, such incidents would occasion a reaction.

### GOVERNMENTS LOWER

The listed bond market, naturally, was inclined to follow a separate course, with the desire on the part of many holders to turn their paper into cash the dominant influence. United States Government securities reflected this movement with several drastic declines. Holdings of such securities by banks that are not members of the Federal Reserve system probably were sold in substantial volume, and prices were lowered both on this account and because of precautionary lowering

of bids by dealers in this and other centers.

Highest grade domestic corporation bonds, for which there usually is an excellent market, were affected similarly to Governmentments. Liquidation in such issues were not on a heavy scale, but the reluctance of buyers caused

sharp drops in quotations, which were only partially offset by the bargain hunting activities of small purchasers. Second-grade railroad bonds suffered rather more than other issues, owing to the widespread belief that the proposed new bankruptcy bill will be followed by more than a half-dozen swift reorganizations of prominent railroads.

### FOREIGN LIST IRREGULAR

The foreign dollar bond list was exceptionally interesting owing to the numerous international uncertainties of the present day. Japanese securities listed here were lower in several sessions, but the declines amounted only to a little as there was good buying from London and other markets. German bonds of all descriptions suffered as a result of the restrictive measures employed by the Fascist leaders of the country in anticipation of the general election tomorrow. Leading European credits of Great Britain, France, Italy, and Belgium were in quiet demand. The Latin-American group idled, with the main trend toward slightly lower levels.

Week Ending March 1, 1933	Stocks		Shares		Bonds	
	This Week	Last Year	This Week	Last Year	This Week	Last Year
Thursday .....	1,330,000	1,000,000			\$16,000,000	\$8,526,000
Friday .....	1,070,000	900,000			10,000,000	12,345,000
Saturday .....	987,800	400,675			6,600,000	5,357,000
Monday .....	1,250,000	900,000			12,500,000	8,364,000
Tuesday .....	910,000	700,000			13,700,000	10,088,000
Wednesday .....	770,000	1,600,000			13,500,000	12,346,000
Total .....	6,317,800	5,500,675			\$72,300,000	\$57,026,000

# INTERNATIONAL MONEY MARKETS

Money rates in the New York market were dominated entirely this week by the developments in the banking situation throughout the country, which occasioned a measure of stringency despite the easy money policy of the Federal Reserve Board. The series of moratoria in numerous States and the enactment of legislation in Washington giving national banks privileges to restrict withdrawals of deposits, in accordance with the rules prevalent in the various centers, caused great unsettlement and a tendency toward hoarding. New York was called upon to supply funds needed in many other parts of the country, and levels of money costs rose substantially in consequence.

## NEW YORK FUNDS IN DEMAND

Resumption of the banking troubles with Detroit in the lead three weeks ago has been signalized by extreme measures in many monetary centers. The unsettlement also caused a steady flow of funds from New York to the foremost European markets, this drain being effected chiefly in the form of gold withdrawals. Despite the crowding difficulties, New York City banks met all demands with ease, as they have long been in exceptionally fine shape to cope with all occurrences.

It is a commonplace of finance, indeed, that some of the largest banks here are 100 per cent liquid and can pay out every dollar of deposits without great difficulty. In view of this fact, funds also tended to flow toward New York from inland points, but the outward drain exceeded the counter-current, making advancing money rates a matter of course.

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*Banking uncertainties develop money stringency, despite easy policy of Federal Reserve. Europeans withdraw funds principally in gold. Deposit withdrawal restrictions now in force in a number of communities. Rates advanced in New York on most types of funds. Leading exchanges stronger in dollar terms.*

The banking troubles in the interior spread with lightning speed throughout the week, and drastic regulatory action was found necessary in many cases. The troubles in Detroit were placed well on the way to solution when it was announced last Sunday that Henry Ford would subscribe \$8,250,000 to the stock of two leading banks in that city and take over the liquid assets of the institutions. Under the plan, Mr. Ford reserved the right to name the Boards of Directors and leading officers of the banks. The State-wide moratorium on withdrawals of deposits was lightened in its effects, but many banks in Michigan continued to restrict such withdrawals.

## RESTRICTIONS SPREAD

It was found necessary, Monday, to take action for restrictions in a number of the leading cities of Ohio, and this complicated the general situation not a little. Seven member banks of the Cleveland Clearing House association decided to restrict the funds available to depositors to 5 per cent of their net deposits until further notice. The National City Bank of Cleveland did not join in this measure and continued to pay in full on demand.

The five banks of Akron, Ohio, decided the same day to proceed with business only on a basis of

restrictions, the same measure being employed as in Cleveland. Indianapolis banks took similar steps, and this was followed the next day by restrictive measures in a score of Indiana towns and cities.

The Ohio legislature acted to remedy the situation in that State, Monday,

bills being passed in record time empowering the banking authorities to permit restrictions and proceed swiftly with the reorganization of failed banking institutions. Early Tuesday, a similar measure was enacted in Pennsylvania, all individual banks in that State obtaining the right to restrict withdrawals.

Delaware banks were granted power to restrict withdrawals Monday, this action being taken in line with the spread of the movement for turning all accounts into currency. Maryland found it advisable to take a step of this nature late last week, and the tendency quickly spread to the neighboring State. West Virginia enacted emergency legislation of the same character, Tuesday, while steps to this end were taken at the same time in Kentucky and Arkansas.

In addition to these enactments, many measures were passed in other States providing for quick action in the reorganization of banks affected by the movement. A bill of this nature also was introduced in the New York State legislature. In recognition of the troubles, some Canadian banks refused to accept checks on banks in States affected, save on a collection basis. The storm of banking troubles appeared to be blowing itself out in the mid-week periods,

when restrictions were hastily lightened in many instances.

#### MONEY RATES ADVANCE

In the New York money market these troubles were reflected by a steady upward movement of money rates, even the Federal Reserve Bank finally falling in line, Wednesday, when the buying rate for bankers' acceptances was raised. Dealers advanced yield rates on these prime instruments on several occasions, and the highest rates in almost a year were recorded. Even at the higher figures, on the other hand, the rates still reflect what would normally be easy money conditions.

Bankers' acceptance yield figures were advanced  $\frac{1}{2}$  per cent all around by dealers, Monday, and after a period of quiescence, a further advance of a full 1 per cent was indicated Wednesday. Rates established at that time were  $\frac{1}{4}$  per cent bid and  $\frac{3}{8}$  per cent asked for bills due in 30 to 90 days;  $\frac{3}{8}$  per cent bid and  $\frac{1}{2}$  asked for bills due in 91 to 120 days, and  $\frac{1}{2}$  per cent bid and  $\frac{3}{4}$  asked for bills due from 121 to 180 days.

These sweeping advances occurred on the natural liquidation

of bill holdings by the larger banks. Commercial paper rates moved upward in accordance with the same tendency, with the market somewhat confused as to actual levels.

#### EUROPEAN EXCHANGES STRONG

Foreign exchanges were very strong on several occasions, also in line with the general situation. European fears regarding the American banking situation are outrunning the actual developments by far, and transfers of funds continued on a heavy scale in almost all market sessions.

The four European gold currencies, French francs, Swiss francs, guilders and Belgas, were all above the upper gold point, indicating that shipments of the metal from New York to European financial centers can be made on a bank profit basis. In addition to this demand, steady acquisition of gold was reported by the Bank of England, which increased its stocks above the Cunliffe minimum of £150,000,000 Wednesday, for the first time in a year and a half.

Daily closing quotations of foreign exchange (bankers' bills) in the New York market follow:

	Thurs. Feb. 23	Fri. Feb. 24	Sat. Feb. 25	Mon. Feb. 27	Tues. Feb. 28	Wed. Mar. 1
Sterling, checks.....	3.41 $\frac{1}{8}$	3.40 $\frac{1}{8}$	3.40 $\frac{1}{8}$	3.42 $\frac{1}{2}$	3.42 $\frac{1}{4}$	3.41 $\frac{1}{4}$
Sterling, cables.....	3.41 $\frac{1}{8}$	3.41	3.40 $\frac{1}{8}$	3.42 $\frac{1}{4}$	3.42 $\frac{1}{2}$	3.41 $\frac{3}{8}$
Paris, checks.....	3.94 $\frac{1}{2}$	3.94 $\frac{1}{4}$	3.94 $\frac{1}{4}$	3.94 $\frac{1}{4}$	3.94 $\frac{1}{8}$	3.94 $\frac{1}{8}$
Paris, cables.....	3.94 $\frac{1}{4}$	3.94 $\frac{1}{2}$	3.94 $\frac{1}{2}$	3.94 $\frac{1}{4}$	3.94 $\frac{1}{8}$	3.94 $\frac{1}{8}$
Berlin, checks.....	23.93 $\frac{1}{2}$	23.92	23.93 $\frac{1}{2}$	23.94	23.88 $\frac{1}{2}$	23.85
Berlin, cables.....	23.95 $\frac{1}{2}$	23.94	23.95 $\frac{1}{2}$	23.96	23.90 $\frac{1}{2}$	23.90
Antwerp, checks.....	14.05 $\frac{3}{4}$	14.05	14.04	14.06 $\frac{1}{2}$	14.08 $\frac{1}{2}$	14.06
Antwerp, cables.....	14.06 $\frac{1}{4}$	14.05 $\frac{1}{2}$	14.04 $\frac{1}{2}$	14.07	14.09	14.08
Lire, checks.....	5.11 $\frac{1}{8}$	5.11 $\frac{1}{4}$	5.11 $\frac{1}{8}$	5.11 $\frac{1}{4}$	5.11 $\frac{1}{4}$	5.10 $\frac{1}{2}$
Lire, cables.....	5.11 $\frac{1}{8}$	5.12	5.11 $\frac{1}{8}$	5.11 $\frac{1}{4}$	5.12	5.11 $\frac{1}{2}$
Swiss, checks.....	19.50 $\frac{1}{4}$	19.47 $\frac{1}{2}$	19.47	19.55 $\frac{1}{2}$	19.53 $\frac{1}{4}$	19.54
Swiss, cables.....	19.50 $\frac{1}{4}$	19.48	19.47 $\frac{1}{2}$	19.56	19.53 $\frac{1}{2}$	19.55
Guilders, checks.....	40.48	40.42 $\frac{1}{2}$	40.44 $\frac{1}{2}$	40.46 $\frac{1}{2}$	40.48 $\frac{1}{2}$	40.45
Guilders, cables.....	40.48 $\frac{1}{2}$	40.43	40.45	40.47	40.49	40.47 $\frac{1}{2}$
Pesetas, checks.....	8.30 $\frac{1}{2}$	8.30	8.30	8.32 $\frac{1}{2}$	8.33	8.34 $\frac{1}{2}$
Pesetas, cables.....	8.31 $\frac{1}{2}$	8.31	8.31	8.33 $\frac{1}{2}$	8.34	8.35 $\frac{1}{2}$
Denmark, checks.....	15.27	15.26	15.22	15.31	15.30	15.22
Denmark, cables.....	15.28	15.27	15.23	15.32	15.31	15.27
Sweden, checks.....	18.09	18.11	18.09	18.17	18.17	18.10
Sweden, cables.....	18.10	18.12	18.10	18.18	18.18	18.15
Norway, checks.....	17.55	17.52	17.49	17.56	17.57	17.47
Norway, cables.....	17.56	17.53	17.50	17.57	17.58	17.52
Greece, checks.....	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$
Greece, cables.....	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$	.56 $\frac{1}{2}$
Portugal, checks.....	3.11 $\frac{1}{4}$	3.11 $\frac{1}{4}$	3.11 $\frac{1}{4}$	3.12 $\frac{1}{2}$	3.12 $\frac{1}{4}$	....
Portugal, cables.....	3.12	3.12	3.12	3.12 $\frac{1}{2}$	3.12 $\frac{1}{2}$	....
Australia, checks.....	2.73 $\frac{1}{2}$	2.72 $\frac{1}{2}$	2.72 $\frac{1}{2}$	2.73 $\frac{1}{2}$	2.73 $\frac{1}{2}$	....
Australia, cables.....	2.73 $\frac{1}{2}$	2.73	2.73	2.74	2.73 $\frac{1}{2}$	....
Montreal, demand..	83.18	82.94	82.87	83.50	83.62	83.68
Argentina, demand..	25.75	25.75	25.75	25.75	25.75	25.20
Brazil, demand.....	7.25	7.25	7.25	7.25	7.25	7.20
Chile, demand.....	6.13	6.13	6.13	6.13	6.13	6.00
Uruguay, demand...	47.50	47.50	47.50	47.50	47.50	47.25



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# STEEL GAINS HALTED

by E. M. JONES

Steel production during February, on the whole, held the moderate gains developing over January but for the last half of the month failed to register any further improvement. Demands have continued within narrow limits and, to a large degree, of a hand-to-mouth character. Working schedules with finishing plants are difficult to arrange for any time ahead and, consequently, operations have shown irregularity.

Automobile requirements have not expanded so rapidly as desirable, and current specifications for sheets and other materials are in disappointing volume. Structural steel for public and semi-public projects are expected to reach fair-sized tonnages, but purchases by transportation interests still are negligible.

## AVERAGE 17 PER CENT

Ingot output for the country at large is estimated at about 17 per cent of capacity, finishing departments operating at various rates, ranging to 45 per cent for tin plate. Some units continue at an extremely low level, steel car and locomotive plants having practically no new business, while repair departments are on a part-time basis. Foundry activity remains limited, while sanitary ware and other cast materials plants have developed few new orders.

Spring purchases of wire goods, merchant pipe, and galvanized sheets have not acquired the momentum usual to this season. For wire products, a slight gain is noted, but the unsettled situation with agriculture and the low level of building operations are retarding factors.

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*Conditions in the steel industry less reassuring, although tonnage placements have been fair in many lines. Ingot output recedes to 17 per cent capacity, after several weeks of successive gains. Structural steel orders of good volume, but mainly for bridge work over a wide territory. Price structure still firm.*

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Shipments of pig iron and semi-finished steel have been in moderate volume, with but little recent change. Some users of sheet bars have received concessions in freight equalization, though ordinarily \$26, Pittsburgh, remains the quoted figure on billets and sheet bars. Foundry and malleable iron are quoted at \$14.50, Valley, and basic at \$13.50, Valley.

## PRICE STRUCTURE FIRM

Scrap values have shown some spread at various marketing points, with a moderate movement to consumers. Heavy melting steel at Pittsburgh is quoted \$8 to \$8.50, while at Chicago \$5.25 is the average. No. 1 cast and stove materials are \$9 delivered, Pittsburgh.

Fuel follows the general trend of iron and steel, with no great change in tonnage over the past month. Excepting demands for heating purposes, centralization of sales agencies is expected eventually to aid in stabilization, though absence of normal railroad and industrial consumption is a serious handicap in the coal division. Furnace coke is quotable at \$1.75 at oven, and foundry at \$2.50 for ordinary grades.

While official revision of sheet prices has been anticipated in some quarters, no official change in quotations has been announced, though reclassification of extras

may result in slight advances. Galvanized sheets have been quoted \$2.60, Pittsburgh; hot rolled sheets \$1.45, Pittsburgh, with strip steel at the same figure.

Cold finished steel bars are \$1.70, Pittsburgh, and cold rolled strip steel \$1.80, Pittsburgh. Over the last

half of the month, strip manufacturers experienced no actual improvement in operations, though sentiment was more hopeful.

## CHICAGO OUTPUT LOWER

Ingot output in the Chicago district sagged to an average of 15 per cent of capacity for the district this week, when the steady volume of small orders from diversified sources failed to offset the drop in automotive specifications. The new output ratio was off about 3 points from last week.

The record of new business recently is chiefly one of disappointed hopes. Although a fair volume of track accessory orders has been booked, railroads continue very reluctant to place rail tonnages, and the leading rail mill in the district remained idle. Nearly 3,000 tons of structural steel orders have been placed within the last few days, chiefly for public improvement projects, while 6,600 tons for Missouri highway bridges and a Western post-office still are open.

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# GRAIN MARKETS GENERALLY WEAK

by H. G. SEELY

Nervousness over the banking situation and weakness in stocks and bonds overshadowed all other developments in the grain markets, following the Washington's Birthday holiday, and it was not until Tuesday that a stronger undertone developed. Net losses for the week ending Tuesday ranged between  $\frac{3}{4}$ c. and  $\frac{7}{8}$ c. for wheat,  $1\frac{1}{2}$ c. and  $1\frac{3}{4}$ c. for corn, and  $\frac{1}{2}$ c. to  $\frac{3}{8}$ c. for oats, with the deferred deliveries the weakest. May rye lost  $\frac{1}{8}$ c. and July  $\frac{7}{8}$ c. Barley was off  $2\frac{1}{4}$ c.

The leading cereal began auspiciously with a good rally on the Chicago Board of Trade, due to reports of dust storms in Kansas, Nebraska, and Oklahoma, and claims of marked deterioration in Illinois and other Middle Western States. After that, adverse financial developments started a liquidating movement.

Saturday, however, saw the liquidation of a 2,000,000 bushel

line for an Eastern long, under pressure of stock market requirements, and the close was a full cent lower. The reaction in stocks and a break in corn brought fractional losses Monday, while the Tuesday trading was nervous until a late rally in stocks furnished the cue for a net gain of  $\frac{1}{2}$ c. to  $\frac{5}{8}$ c.

Corn was the weakest of the grains, making succession of new lows for the crop on all deliveries. The failure of any real shipping demand to materialize and the lack of export business, coupled with fair country marketing, made the grain particularly vulnerable. The day to day price swings followed the trend of wheat, with the sharpest losses on Monday when a fair volume of late selling disclosed an absence of support. In the late Tuesday trading, local traders came in on the buying side.

Rye moved independently of wheat in much of the trading and the July delivery closed fraction-

ally higher Monday, despite weakness in the market leader. The Tuesday rebound was for a minor fraction.

The United States visible supply of grains for the week, in bushels, was: Wheat, 144,446,000, off 2,885,000; corn, 32,796,000, up 1,107,000; oats, 24,227,000, off 232,000; rye, 7,783,000, off 11,000; barley, 8,477,000, off 55,000.

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	Thurs. Feb. 23	Fri. Feb. 24	Sat. Feb. 25	Mon. Feb. 27	Tues. Feb. 28	Wed. Mar. 1
<b>Wheat:</b>						
May .....	47½	48	47	46½	47½	47½
July .....	48½	48½	47½	47½	47½	47½
September .....	49%	49%	48%	48½	48%	48%
<b>Corn:</b>						
May .....	24%	24%	24½	23%	24½	24½
July .....	26½	26%	26½	25%	25%	25%
September .....	28	28%	27%	27	27½	27½
<b>Oats:</b>						
May .....	16½	16%	16%	16½	16½	16½
July .....	16%	16%	16%	16%	16%	16½
September .....	17½	17%	17%	17%	17	17
<b>Rye:</b>						
May .....	34%	34%	34%	33%	34%	34%
July .....	34	34½	33%	33%	33%	33%
	<b>Wheat</b>			<b>Flour</b>	<b>Corn</b>	
	Western	Atlantic		Atlantic	Western	
	Receipts	Exports		Exports	Receipts	
Wednesday .....	*	.....		.....	.....	
Thursday .....	775,000	23,000		4,000	1,309,000	
Friday .....	485,000	14,000		2,000	838,000	
Saturday .....	427,000	124,000		3,000	1,071,000	
Monday .....	892,000	264,000		6,000	1,066,000	
Tuesday .....	491,000	.....		.....	587,000	
Total .....	3,070,000	425,000		15,000	4,871,000	
Last Year .....	6,009,000	1,916,000		33,000	5,075,000	

\* Holiday † Two days

# COMMODITY PRICES AT BETTER LEVEL

General commodity prices were somewhat steadier this week, and with the exception of the foodstuffs group appear to have recovered some of the weakness which characterized the trend during the greater part of February. Most of the change showed that speculative liquidation bore stronger on the markets than business developments, despite the curbing influences of financial uncertainties.

There were 13 advances and 28 declines in the Dun & Bradstreet compilation of wholesale commodity quotations this week, as compared with 6 and 33, respectively, a week ago. Both the advances and the declines made a more favorable showing than the average recorded for February. The foodstuffs division now has lost most of the strength it exhibited during the third week of last month, contributing more than half of the total declines appearing in the tabulation, because of the downward revisions in coffee, butter, lard, lambs, and spices. The downturn in grain values carried corn to a new low price record for the season. Advances in the foodstuffs group were confined chiefly to eggs, flour, hams, raw sugar, and tea.

In textiles, burlap, brown sheetings, print cloths, and wool gave ground fractionally, but there was an encouraging advance in Japan silk. Hide quotations held firm at former levels, with country hides more in demand than packers. Although sole leather has moved slowly, prices were well sustained; upper leathers were bought a little more freely. The price structure of the metal list was somewhat stronger, as advances were recorded for both wire nails and barb wire, galvanized, Pittsburgh. In the non-ferrous

group, antimony and tin receded fractionally; copper, zinc, and lead were unchanged.

## COFFEE

Both Rio and Santos grades dropped  $\frac{1}{4}$ c., the market having been affected by the poor prices realized at the sale of Farm Board coffee. Besides, the report from Brazil that the new coffee institute will be controlled provisionally by the President was not looked upon as cheerful news either. The two directors and one inspector, who comprise the new body, will reorganize the institute and appoint a permanent directorate. A new bank will be formed to finance the farmers and control financial activities of the institute. While the ultimate outcome may be favorable, the present unsettlement seems to create the weakness.

## SUGAR

The mark-up of 5c. in raw sugar was one of the outstanding advances of the week, brought about primarily by the holding policy of Cuban producers. No sales of Cuban sugars in the New York market have been reported in more than a month, and it is the general opinion that Cubans plan to hold out for higher prices, especially since they know that refiners will require large tonnages in the near future to meet the heavy consuming season now only a few months away. From a purely statistical angle, sugar is held to be in a greatly improved position.

Early estimates place world production at the end of the current crop year, August 31, 1933, at approximately 24,735,000 tons. This would be a decrease of 1,696,000 tons, or 6.4 per cent, from last year's crop. Consumption for the period is estimated to decline only 140,000 tons, or one-half of 1 per

cent. A sugar carry-over in the United States and Cuba on December 31, 1933, of approximately 878,000 tons is indicated by preliminary trade estimates. This would be 245,000 tons smaller than the carry-over in December, 1932.

## COTTON GOODS

The burlap markets have been quiet and prices fell  $\frac{1}{8}$ c., with actual sales restricted. Stocks of burlap in this country have been declining moderately but steadily, and spot sales in small lots have been made at relatively better prices than those quoted for future delivery from Calcutta.

Both brown sheeting and print cloths declined  $\frac{1}{8}$ c., with small lots of the latter now available at prices very close to the low points of last year. Narrow sheeting prices have continued on very low levels, and substantially under the ratio of volume set on other gray cloths.

## THE DUN & BRADSTREET DAILY COMMODITY PRICE INDEX

1933		1932	
Jan. 23	69.23	Jan. 25	82.20
Jan. 24	69.25	Jan. 26	81.76
Jan. 25	69.14	Jan. 27	81.84
Jan. 26	69.28	Jan. 28	81.57
Jan. 27	69.23	Jan. 29	81.05
Jan. 28	69.04	Jan. 30	81.23
Jan. 30	68.54	Feb. 1	81.38
Jan. 31	68.48	Feb. 2	81.50
Feb. 1	68.11	Feb. 3	81.04
Feb. 2	68.37	Feb. 4	81.04
Feb. 3	67.91	Feb. 5	79.99
Feb. 4	68.00	Feb. 6	79.72
Feb. 6	68.52	Feb. 8	80.27
Feb. 7	68.94	Feb. 9	79.95
Feb. 8	70.13	Feb. 10	79.90
Feb. 9	69.76	Feb. 11	79.88
Feb. 10	69.53	Feb. 12	Holiday
Feb. 11	69.50	Feb. 13	80.85
Feb. 13	Holiday	Feb. 15	80.73
Feb. 14	68.99	Feb. 16	81.39
Feb. 15	68.83	Feb. 17	80.95
Feb. 16	68.69	Feb. 18	81.02
Feb. 17	68.92	Feb. 19	80.88
Feb. 18	68.90	Feb. 20	80.74
Feb. 20	68.85	Feb. 22	Holiday
Feb. 21	68.98	Feb. 23	80.74
Feb. 22	Holiday	Feb. 24	81.14
Feb. 23	68.74	Feb. 25	80.90
Feb. 24	69.00	Feb. 26	80.56
Feb. 25	68.62	Feb. 27	80.16
Feb. 27	68.32	Feb. 28	81.38



In addition to the foodstuffs group, which contributed more than half of the declines in the Dun & Bradstreet compilation of wholesale commodity quotations this week, some of the items in the textile division eased slightly, and tin touched the lowest level in several weeks. Hide quotations,

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# WHOLESALE COMMODITY PRICES

on the other hand held firm at price structure of the metal list nails and barb wire. In the non-former quotations, and leather was somewhat stronger, as ad-ferrous group, antimony receded prices were well sustained. The vances were recorded for both wire fractionally.

	Net Change	This Week	Last Week	Last Year		Net Change	This Week	Last Week	Last Year
Mich., and N. Y. Fleeces:					Sarsaparilla, Honduras.....lb	55	55	42	
Delaine Unwashed.....lb	15	15½	21		Soda ash, 58% light....100 lbs	1.20	1.20	1.05	
Half-Blood Combing....."	15½	15½	22		Soda benzoate.....lb	40	40	40	
Half-Blood Clothing....."	13	13	19		ADVANCES 1; DECLINES 2.				
Wis., Mo., and N. E.:					<b>METALS</b>				
Half-Blood....."	14	14	20		Pig Iron: No. 2x, Ph.....ton	13.34	13.34	15.64	
Quarter-Blood....."	16	16½	19		No. 2 valley furnace....."	14.50	14.50	15.00	
Southern Fleeces:					Bessemer, Pittsburgh....."	16.89	16.89	17.39	
Ordinary Mediums....."	13	14	19		No. 2 South Cincinnati....."	13.82	13.82	13.82	
Ky., W. Va., etc.; Three-eighths					Billets, rerolling, Pittsburgh.."	26.00	26.00	27.00	
Blood Unwashed....."	19	19	25		Forging, Pittsburgh....."	31.00	31.00	33.00	
Quarter-Blood Combing....."	20	20	22		Wire rods, Pittsburgh....."	35.00	35.00	37.00	
Texas, Scoured Basis:					O-h rails, hy., at mill....."	40.00	40.00	43.00	
Fine, 12 months....."	39	40	52		Iron bars, Chicago.....100 lbs	1.70	1.70	1.60	
Fine, 8 months....."	35	35	43		Steel bars, Pittsburgh....."	1.60	1.60	1.50	
California, Scoured Basis:					Tank plates, Pittsburgh....."	1.60	1.60	1.50	
Northern....."	35	35	45		Shapes, Pittsburgh....."	1.60	1.60	1.50	
Southern....."	34	34	43		Sheets, black No. 24,				
Oregon, Scoured Basis:					Pittsburgh....."	2.00	2.00	2.15	
Fine & F. M. Staple....."	39	40	53		Wire Nails, Pittsburgh....."	1.85	1.80	1.95	
Valley No. 1....."	37	38	48		Barb Wire, galvanized,				
Territory, Scoured Basis:					Pittsburgh....."	2.35	2.30	2.60	
Fine Staple Choice....."	40	42	54		Galv. Sheets No. 24, Pitts-				
Half-Blood Combing....."	37	40	52		burgh....."	2.50	2.50	2.75	
Fine Clothing....."	32	33	43		Coke, Connellville, oven.....ton	1.75	1.75	2.25	
Pulled: Delaine....."	49	50	63		Furnace, prompt ship....."	2.50	2.50	3.50	
Fine Combing....."	37	37	58		Foundry, prompt ship....."	2.50	2.50	3.50	
Coarse Combing....."	29	29	40		Aluminum, pig (ton lots).....lb	22¾	22¾	22¾	
California AA....."	44	44	60		Antimony, ordinary....."	5%	5%	6¼	
<b>WOOLEN GOODS:</b>					Copper, Electrolytic....."	5	5	5½	
Standard Cheviot, 14-oz.....yd	95	95	1.17½		Zinc, N. Y....."	3	3	3¼	
Serge, 11-oz....."	97½	97½	1.35		Lead, N. Y....."	3	3	3¼	
Serge, 15-oz....."	1.25	1.25	1.85		Tin, N. Y....."	23¾	23¾	22¾	
Serge, 16-oz....."	1.37½	1.37½	2.00		tinplate, Pittsburgh, 100-lb. box	4.25	4.25	4.75	
Fancy Cassimere, 13-oz....."	1.25	1.25	1.57		ADVANCES 2; DECLINES 2.				
Broadcloth, 54-in....."	2.00	2.00	2.50		<b>MISCELLANEOUS</b>				
ADVANCES 1; DECLINES 5.					COAL: f.o.b. Mines.....ton				
<b>DRUGS AND CHEMICALS</b>					Bituminous....."	1.75	1.75	1.75	
Acetanilid, U.S.P., bbls.....lb	36	36	36		Navy Standard....."	1.25	1.25	1.25	
Acid Acetic, 28 deg.....100 lbs	2.75	2.75	2.60		High Volatile, Steam....."				
Carbolic, cans....."	17	17	17		Anthracite, Company:				
Citric, domestic.....lb	37½	37½	37½		Stove....."	7.25	7.25	7.00	
Muriatic, 18'.....100 lbs	1.00	1.00	1.00		Egg....."	7.00	7.00	6.75	
Nitric, 42'....."	6.50	6.50	6.50		Nut....."	7.00	7.00	6.50	
Oxalic, spot.....lb	10¼	10¼	10¼		Pea....."	5.15	5.15	5.25	
Sulphuric, 60'.....100 lbs	55	55	55		<b>DYESTUFFS—Bi-chromate</b>				
Tartaric crystals.....lb	20	20	24½		Potash, am.....lb	7	7	8	
Fluor Spar, acid, 98%.....ton	38.50	38.50	38.50		Cochineal, silver....."	43	43	46	
Alcohol, 190 proof U.S.P.....gal	2.37	2.37	2.37		Cutch, Rangoon....."	7	7	8½	
" wood 95%....."	44	44	44		Gambier, Plantation....."	7½	7½	8½	
" denatured, form 5....."	31¾	31¾	31¾		Indigo, Madras....."	1.25	1.25	1.25	
Alum, lump.....lb	3.25	3.25	3.25		Prussiate potash, yellow....."	15½	16½	18½	
Ammonia, anhydrous....."	15½	15½	15½		<b>FERTILIZERS:</b>				
Arsenic, white....."	4	4	4		Bones, ground steamed, 1¼,				
Balsam, Copaiba, S. A....."	15	15	18		am., 60% bone phosphate,				
Flr, Canada.....gal	5.00	5.00	10.00		Chicago.....ton	25.00	25.00	25.00	
Peru....."	80	85	95		Muriate potash, 80%....."	37.15	37.15	37.15	
Bicarbonate Soda, Am.....100 lbs	2.54	2.54	2.54		Nitrate soda.....100 lbs	1.29	1.29	1.77	
Bleaching powder, over					Sulphate ammonia, do-				
34%....."	2.00	2.00	2.00		mestic, delivered....."	1.05	1.05	1.10	
Borax, crystal, in bbl.....lb	2½	2½	2½		Sulphate potash, bs. 90%.....ton	47.50	47.50	48.25	
Brimstone, crude domestic.....ton	18.00	18.00	18.00		OILS: Coconut, Spot, N. Y.....lb	3	3	3¾	
Calomel, American.....lb	1.25	1.25	1.51		China Wood, bbls, spot....."	4½	4½	7½	
Camphor, slabs....."	36½	36½	49		Cod, Newfoundland.....gal	21	21	28	
Castile Soap, white.....case	15.00	15.00	15.00		Corn, crude, Mill.....lb - ½	2½	3	4¾	
Castor Oil No. 1.....lb	8½	8½	10		Cottonseed, spot....."	3½	3½	4¾	
Caustic Soda, 76%.....100 lbs	2.25	2.25	2.25		Lard, Extra, Winter st....."	7½	7½	7	
Chlorate Potash.....lb	8	8	8		Linseed, city raw, carlots....."	7½	7½	6¾	
Chloroform, U.S.P....."	8.50	8.50	8.50		Neatsfoot, pure....."	7½	7½	8¾	
Cocaine, Hydrochloride.....oz	14½	14½	19½		Rosin, first run.....gal	42	42	47	
Cream Tartar, domestic.....lb	2.25	2.25	2.25		Soya-Bean, tank, cars, M. W.....lb	3	3	3	
Epsom Salts.....100 lbs	6	6	6		Petroleum, Pa., cr., at well.....bbl	1.22½	1.22½	1.59	
Formaldehyde.....lb	9¾	9¾	11¼		Kerosene, wagon, delivery.....gal	15	15	17	
Glycerine, C. P. in drums....."	5%	5%	6½		Gas's auto in gar., st. bbls....."	10½	10½	12¾	
Gum-Arabic, Amber....."	17	17	21		Wax, ref. 125 m. p.....lb	2½	2½	3	
Benzoin, Sumatra....."	50	50	75		<b>PAPER: Newsroll Contract.....</b>				
Gamboge, pipe....."	28	28	38		Book, S. & S. C.....lb	45.00	45.00	53.00	
Shellac, D. C....."	67	67	1.00		Writing, tub-sized.....lb	4½	4½	5½	
Tragacanth, Aleppo 1st....."	18	18	18		No. 1 Kraft....."	4½	4½	4¾	
Licorice, Extract....."	33	33	33		Sulphite, Domestic, bl., 100 lbs	1.75	1.75	2.00	
Powdered....."	3.10	3.10	3.35		Old Paper No. 1 Mlx....."	15	15	15	
Menthol, Japan, cases....."	7.85	7.85	7.95		<b>PLATINUM.....oz</b>				
Morphine, Sulp., bulk.....oz	20½	20½	23¾		RUBBER: Up-River, fine.....lb	21.00	21.00	37.50	
Nitrate Silver, crystals....." + ¼	6	6	7¾		Plan, 1st Latex, crude....."	6	6	5	
Nux Vomica, powdered.....lb	12.00	12.00	12.00		ADVANCES 1; DECLINES 3.				
Opium, jobbing lots....."	49.00	49.00	67.50		<b>TOTAL ADVANCES.....</b>				
Quicksilver, 75-lb. flask....."	40	40	40		<b>TOTAL DECLINES.....</b>				
Quinine, 100-oz. tins.....oz	11¼	11¼	10¾			13	6	19	
Rochelle Salts.....lb	10¼	10¼	10¼			28	33	28	
Sal ammoniac, lump, imp....."	90	90	90						
Sal soda, American.....100 lbs	6¾	7	7¾						
Saltpetre, crystals.....lb - ¼									

# LESS ACTIVITY IN TEXTILES

by C. S. WOOLSLEY

A combination of adverse influences has affected the textile trades seriously, and business has continued exceedingly quiet in first hands. Reports from retail centers and many distributing centers show that buying has been of a conservative character and it is difficult to say whether the current quiet is the true measure of a reduced purchasing power throughout the country or marks a hesitation from which recovery may be rapid when confidence in financial channels will have been restored.

Production is being curtailed as a result of light buying, and the many requests being received for deferring deliveries due on contract. The rayon industry, which has been the leader in the very active textile production in the past four or five months, now is showing definite signs of recession.

## SPRING BUYING DELAYED

While exceedingly low prices prevail for merchandise in retail channels, the normal Spring buying has been delayed greatly and seasonal purchases are decidedly less than they have been for some years at this period. Many more goods are to be bought before requirements for a greatly subnormal trade are met, and manufacturers are anticipating that when the demand revives there will be another rush to secure goods that are not yet in process. The caution that has been shown by buyers has continued to have a good effect on inventories but, on the other hand, the slow movement of Winter merchandise has delayed the reductions of some stocks.

*Buying in the leading textile markets is at a slower rate, with the bulk of the Spring orders yet to be placed in many divisions. Cotton goods prices easier, despite lack of selling pressure. Production of wool goods has declined, and in the rayon industry output is beginning to show signs of recession.*

While there has been no great pressure to sell, prices on cotton goods have fallen off, and print cloths again are available in small lots at prices very close to the low points of last year. Some slight stiffening in prices has been noted in sheer plain combed goods for which the demand has been more active in preparation for Spring converting.

## PRICE TREND EASIER

Business has fallen off in printed goods, and production in printing plants has dropped considerably in the past two weeks. Prices on low-end wash goods are irregular, and only moderate orders are being placed for the specialties and novelties for the dress goods season in cottons and rayons. Do-

mestics have remained quiet. The blanket mills are busy on Red Cross orders, and new business is coming forward on cotton garments from the same source.

Trade in men's wear has slowed up considerably due, in part, to the slow movement at retail, and

also to apprehension expressed concerning the possible effects of labor troubles in the next couple of weeks. The worsted dress goods business is much lighter than anticipated, although a wide variety of new fabrics is being cut up for suits and dresses.

## COTTON UNDERWEAR REDUCED

The opening of lines of heavy-weight cotton knit underwear at prices from 5 to 7 per cent lower than recent levels has not yet stirred up business for forward delivery to any great extent.

The course of prices in the cotton option market at New York and spot prices for the day this week at leading cotton centers are given in the following table:

	Wed. Feb. 22	Thurs. Feb. 23	Fri. Feb. 24	Sat. Feb. 25	Mon. Feb. 27	Tues. Feb. 28
March .....	*....	5.92	6.02	5.84	5.90	5.88
May .....	....	6.04	6.13	5.94	5.98	5.97
July .....	....	6.18	6.26	6.06	6.10	6.09
October .....	....	6.35	6.44	6.27	6.28	6.28
December .....	....	6.46	6.56	6.38	6.41	6.39

	Tues. Feb. 21	Wed. Feb. 22	Thurs. Feb. 23	Fri. Feb. 24	Sat. Feb. 25	Mon. Feb. 27
New Orleans, cents.....	5.99	*....	5.89	5.99	5.82	5.82
New York, cents.....	6.10	....	6.05	6.15	5.95	6.05
Savannah, cents.....	5.97	....	5.92	6.02	5.84	5.90
Galveston, cents.....	5.95	....	5.90	6.00	5.80	5.85
Memphis, cents.....	5.75	....	5.85	5.95	5.75	5.80
Norfolk, cents.....	6.07	....	6.04	6.13	5.94	5.98
Augusta, cents.....	6.30	....	6.25	6.23	6.04	6.08
Houston, cents.....	5.90	....	5.85	5.95	5.80	5.80
Little Rock, cents.....	5.65	....	5.62	5.78	5.64	5.68
Fort Worth, cents.....	5.55	....	5.55	5.65	5.45	5.50
Dallas, cents.....	5.55	....	5.55	5.65	5.45	5.50

\* Holiday



# DUN'S INDEX NUMBER NEARLY AT FORMER LEVEL

Dun's Index Number of Wholesale Commodity Prices on March 1 was \$127.606. At this figure the Number is off very little from the previous month's level of \$128.435. This further recession is a continuance of the down-trend which set in with the November 1, 1932, Number.

The dollar loss of .829 is much less than that recorded on February 1, when the Index lost ground to the extent of \$1.731.

During the month, quotation declines were the same in number as during January. There were, however, far fewer advances, a total of 47 being recorded for February, compared to 79 during the preceding month. In the last week of February, there were but 6 advances made in quotations throughout the entire list of several hundred commodities.

Were it not for the weakened position of the Clothing group the Index Number of March 1 would have suffered very little loss. This one category contributed .602 of the total loss of .829, leaving fractional recessions throughout the four groups comprising the food section of the Index.

The first group in the series, Breadstuffs, fell off .042 from the previous figure of \$13.431. At \$13.389 on March 1, the Breadstuffs Index reflects the slight betterment in the price position of wheat and oats as well as the moderate drop on corn quotations.

The Meat division at \$10.201 compares favorably with the February 1 figure of \$10.481. This group showed evidence of improvement in many instances but the sustained falling off of beef prices weakened the statistical position of this category.

*Dun's Index Number of Wholesale Commodity Prices on March 1 was \$127.606. On February 1, it stood at \$128.435, making the dollar loss only .829, or .646 per cent. Fractional recessions appeared in all Food groups, while Metals and Miscellaneous advanced a little. The chief weakness was in clothing.*

The loss in the Dairy and Garden group also was of minor importance. At \$17.995 on March 1 a drop of .185 from the February 1 Number was indicated. Quotations in this group on March 1, compared very favorably with those thirty days prior, and little change was noted, except the stronger position of butter and some few garden products.

On March 1 the Other Food group was \$16.180. This figure compares with \$16.218 on February 1 and shows an easing off of .038. Here again, there were no price changes of importance.

Clothing, the fifth group in the series of Dun's Commodity Price Index, fell from \$19.507 to \$18.905, a loss, as already stated, of .602. While textiles remained firm, hide and leather quotations sagged rather sharply and to these factors may be placed the responsibility for the altered Index in this group.

At \$19.790, the Metals category showed an advance of .023 cents over the February 1 Number of \$19.767. Except for higher prices quoted on tin, no changes in this group occurred to excite special comment.

The Miscellaneous group registered a minor advance movement. At \$31.146 the Number is increased by .305 over the February 1 figure of \$30.841. The improvement made by some of the lumber quotations accounted for this advance.

From July 1 to October 1 last year, the general trend of commodity prices exhibited marked firming tendencies. In the early part of October, however, irregularities commenced to appear in a number of primary divisions, and the abrupt declines during the closing quarter wiped out a large part of the gain registered.

Since the first of the current year, a steadier trend has been in evidence, the February 1 loss of the Index Number of 1.33 per cent contrasting with a drop of 2.8 per cent on January 1. With the March 1 Index Number reduced by only .646 per cent, current stability may carry promise that the downtrend has been checked.

DUN'S COMMODITY PRICE INDEX

	Bread-stuffs	Meat	Dairy & Garden	Other Food	Clothing	Metals	Miscellaneous	Total
1932, Jan. 1..	\$17.291	\$15.623	\$17.869	\$16.806	\$22.989	\$18.429	\$31.674	\$140.681
Feb. 1..	16.795	14.985	18.240	16.652	22.702	18.839	32.131	140.344
Mar. 1..	16.745	14.856	18.080	16.690	22.419	18.714	31.715	139.219
Apr. 1..	16.452	13.817	17.847	16.060	22.361	18.685	31.642	136.864
May 1..	16.005	12.061	17.327	15.970	20.813	18.636	31.512	132.324
June 1..	15.066	11.235	17.127	15.529	19.951	18.623	31.348	128.879
July 1..	14.306	11.280	15.904	14.234	19.551	18.671	31.370	125.316
Aug. 1..	14.611	13.605	15.959	14.734	18.551	18.521	32.780	128.761
Sept. 1..	15.325	13.516	17.031	16.434	20.854	19.011	31.928	134.099
Oct. 1..	14.583	12.881	19.414	16.613	21.288	20.588	31.188	136.555
Nov. 1..	13.435	12.676	19.578	16.405	21.256	20.579	30.771	134.700
Dec. 1..	13.281	11.811	20.007	16.374	21.026	20.421	30.978	133.898
1933, Jan. 1..	13.056	10.660	19.141	16.298	19.784	20.300	30.927	130.166
Feb. 1..	13.431	10.481	18.190	16.218	19.507	19.767	30.841	128.435
Mar. 1..	13.389	10.201	17.995	16.180	18.905	19.790	31.146	127.606

# CANADIAN TRADE

While the general volume of business was maintained at a fairly steady level in most Provinces during the week, gains in retail sales were not numerous. More moderate temperatures checked the movement of Winter merchandise, and interest in Spring offerings has not developed to any marked degree, as yet. There has been a fair demand for the cheap grades of men's and women's wearing apparel, but sales of high-grade clothing, luxury articles, and jewelry showed a decided falling off last month. The demand for fur garments, even at the prevailing attractive prices, has not been altogether encouraging. Milliners are looking forward to a good Spring season, and early purchases of shoes and hosiery have been of fair proportion.

## WHOLESALE BUYING GAINS

Activity in wholesale markets has been more marked, and dry goods travellers are sending in some good-sized orders. There has been little development of interest in grocery circles, distribution of staple lines being about normal, with prices maintained at current low levels. Canned goods were in steady demand, but the increased sales have not been followed by any raising of the current low price levels. Wholesale orders for hardware have increased somewhat, but the call for builders' hardware, plumbing supplies, paints and varnishes was limited.

Western buyers were somewhat more numerous in the large markets during the week, arranging for the requirements of their Spring trade. Stocks with retailers continue inadequate to care for even a reasonable demand, as much of the merchandise remaining unsold is more or less obsolete, and has failed to attract the public's attention, even when offered at bargain prices.

Manufacturing in certain lines, notably hosiery and textiles, has been active. In fact, output of hosiery and knitted goods is expected to show results even more satisfactory than those of a year ago. Canadian cloth mills are utilizing to the full extent their opportunity to demonstrate the advancement made in the quality and design of domestic fabrics.

Several of the larger shoe factories are working close to full capacity, and the volume of orders for Spring delivery compares favorably with that of last year. Leather has been in good demand, and a feature of this market has been the recent revival, to some extent, of export trade. Shoe factories have been busily employed, with several of the larger producers working practically on full time. Clothing manufacturers have made some progress, but could have done much better if credit caution had been ignored.

Automobile plants are only partially employed, despite the fact that the used car situation has

ceased to be the producers' encumbrance it was a couple of years ago. Automobile production in January of 3,358 cars was an increase of 36 per cent over the December total, but fell short of the January, 1932, figure by 10 per cent.

## CALGARY

There is little increased activity to report in either wholesale or retail lines. Demand is largely for goods in the lower-priced brackets, and the usual late Winter months' clearance sales are being extensively featured. The recent cold snap stimulated the clothing trade, to some extent, but not sufficiently to offset the drop in sales during the early months of the Winter when the weather was unseasonably mild.

Financial statements received, particularly from country points, indicate that inventories have been reduced, as compared with those of a year ago, and that the better class merchants have not the amount of past due indebtedness which might be expected. Gen-

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Single room  
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New  
York  
City



erally speaking, they are in a better position to-day to take advantage of any upturn in business conditions than they were a year ago. In the majority of cases, receivables are heavy, out of proportion to turnover, collections having been very slow at practically all points over a period of two years or more. As might be expected turnovers in dollars are practically all showing reductions.

Automobile, garage and implement lines show evidence of being the hardest hit by the economic situation, which is only natural, in view of the lowered purchasing power of the farmers. It is evident that restricted buying will continue even in the usually more active Spring months, due to the continued underlying feeling of financial uncertainty, unless unforeseen developments occur in the meantime to change the situation. Collections continue slow on old accounts with current collections fair to prompt.

#### MONTREAL

The general trade situation has been without special feature during the week. Smaller retail dealers complain of slow movement of merchandise, larger stores have been fairly busy, sales being stimulated by liberally-advertised clearances. Wholesalers report no outstanding developments. In dry goods, a fair number of orders are coming to hand for current needs, but bookings for later deliveries are light. Staple lines of groceries are moving steadily at sustained low price levels. Liberal receipts of eggs on the provision market have brought down prices.

There is little activity among foundrymen, and no increase has been noted in operations of the larger industrial plants. Trading in hardware, paints, and building materials continues slow. Complaints are general regarding slowness in payments.

#### TORONTO

Unsettled conditions governed business during the early part of February, and progressive measures adopted by financial and

commercial interests have not had time enough for results. Wholesale trade was moderately active, but retailers reported a slight change for the better. Bailiff sales were all too frequent, small merchants succumbing to the pressure of the times, after assets had been reduced to a point where only a landlord's claim could be paid out of the proceeds.

Manufacturing, other than certain lines, which have held up well, notwithstanding conditions, showed a slight improvement, and

Spring demand for textiles, hosiery, knitted goods, and shoes, is expected to show results even more satisfactory than those of a year ago. Architects, builders, construction engineers, and others of a similar nature have been expectant of a turn for the better, although the immediate prospect could not be considered encouraging. Prices for farm products softened, on the average, with fair production being maintained. Collections generally were unsatisfactory.



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*Annual Statements December 31, 1932*

# THE TRAVELERS

*Hartford, Connecticut*

L. EDMUND ZACHER, PRESIDENT

## THE TRAVELERS INSURANCE COMPANY [Sixty-ninth Annual Statement]

ASSETS		RESERVES AND ALL OTHER LIABILITIES	
United States Government Bonds	\$80,545,615.00	Life Insurance Reserves	\$559,335,165.47
Other Public Bonds	88,947,727.00	Accident and Health Insurance Reserves	9,475,162.90
Railroad Bonds and Stocks	76,551,628.00	Workmen's Compensation and Liability Insurance Reserves	46,287,060.93
Public Utility Bonds and Stocks	70,477,391.00	Reserve for Taxes	3,211,402.49
Other Bonds and Stocks	48,065,758.00	Other Reserves and Liabilities	2,226,312.35
First Mortgage Loans	108,028,112.12	Contingency Reserve	7,778,318.00
Real Estate	26,994,694.03	Special Reserve	8,039,233.50
Loans on Company's policies	122,310,510.97	Capital	\$20,000,000.00
Cash on hand and in Banks	15,086,001.79	Surplus	18,139,869.67
Interest accrued	10,287,629.67		38,139,869.67
Premiums due and deferred	26,498,431.14		
All Other Assets	699,026.59		
<b>TOTAL</b>	<b>\$674,492,525.31</b>	<b>TOTAL</b>	<b>\$674,492,525.31</b>

## THE TRAVELERS INDEMNITY COMPANY [Twenty-seventh Annual Statement]

ASSETS		RESERVES AND ALL OTHER LIABILITIES	
United States Government Bonds	\$1,714,490.00	Unearned Premium and Claim Reserves	\$8,166,961.76
Other Public Bonds	2,209,276.00	Reserves for Taxes	353,189.10
Railroad Bonds and Stocks	2,948,119.00	Other Reserves and Liabilities	541,808.19
Public Utility Bonds and Stocks	1,623,800.00	Contingency Reserve	1,627,399.00
Other Bonds and Stocks	7,596,208.00	Special Reserve	2,141,968.99
First Mortgage Loans	312,500.00	Capital	\$3,000,000.00
Cash on hand and in Banks	1,769,200.15	Surplus	4,289,107.90
Premiums in Course of Collection	1,851,561.33		7,289,107.90
Interest accrued	95,193.46		
All Other Assets	87.00		
<b>TOTAL</b>	<b>\$20,120,434.94</b>	<b>TOTAL</b>	<b>\$20,120,434.94</b>

## THE TRAVELERS FIRE INSURANCE COMPANY [Ninth Annual Statement]

ASSETS		RESERVES AND ALL OTHER LIABILITIES	
United States Government Bonds	\$3,024,544.00	Unearned Premium and Claim Reserves	\$10,266,136.84
Other Public Bonds	1,228,174.00	Reserves for Taxes	254,309.98
Railroad Bonds and Stocks	2,469,173.00	Other Reserves and Liabilities	33,724.36
Public Utility Bonds and Stocks	4,170,681.00	Contingency Reserve	893,292.00
Other Bonds and Stocks	1,647,414.00	Special Reserve	1,059,013.12
First Mortgage Loans	250,000.00	Capital	\$2,000,000.00
Cash on hand and in Banks	1,907,045.29	Surplus	1,548,110.18
Premiums in Course of Collection	1,229,437.36		3,548,110.18
Interest accrued	111,071.53		
All Other Assets	17,046.30		
<b>TOTAL</b>	<b>\$16,054,586.48</b>	<b>TOTAL</b>	<b>\$16,054,586.48</b>

### MORAL: Insure in THE TRAVELERS

All forms of life, casualty and fire insurance and annuities are available in The Travelers, furnishing comprehensive insurance service to individuals, families and business firms and corporations.

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